

**LOUISIANA NAVAL WAR MEMORIAL COMMISSION  
DEPARTMENT OF CULTURE, RECREATION AND TOURISM  
STATE OF LOUISIANA**

**FINANCIAL STATEMENTS**

**YEAR ENDED DECEMBER 31, 2005**

**Audit of Financial Statements**

**December, 31 2005**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 7-12-06

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Independent Auditor's Report

**Board of Commissioners of the  
Louisiana Naval War Memorial Commission**  
Department of Culture, Recreation and Tourism  
State of Louisiana  
305 South River Road  
Baton Rouge, Louisiana 70802

We have audited the accompanying financial statements of the governmental activities, the business-type activities and each major fund of the Louisiana Naval War Memorial Commission as of December 31, 2005, which collectively comprise the Commission's basic financial statements as listed in the table of contents. These basic financial statements are the responsibility of the Louisiana Naval War Memorial Commission's management. Our responsibility is to express opinions on these basic financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall basic financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the government activities, the business-type activities and each major fund of the Louisiana Naval War Memorial Commission as of

December 31, 2005 and the respective changes in financial position and, where applicable, cash flows, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 24, 2006 on our consideration of the Louisiana Naval War Commission's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis and budgetary comparison information as listed in the table of contents (required supplementary information Parts I and II) are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was performed for the purpose of forming an opinion on the financial statements that collectively comprise the Louisiana Naval War Commission's basic financial statements. The accompanying supplementary schedules, as listed in the table of contents (Other Supplementary Information) are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

*Hienz & Macaluso, LLC*

**HIENZ & MACALUSO, L.L.C.**

Metairie, LA  
June 24, 2006

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

The management's discussion and analysis of the Louisiana Naval War Memorial Commission, Department of Culture, Recreation and Tourism of the State Louisiana (hereafter referred to as the Commission) presents a narrative overview and analysis of the commission's financial activities for the year ended December 31, 2005. This document focuses on the current year's activities, resulting changes and currently known facts. Please read this document in conjunction with the Commission's financial statements.

### **Highlights of the Commission as a whole**

- Operating revenues for the Commission increased by \$ 80,917.02 – a 42% increase over the prior year.
- Operating expenses for the Commission increased by \$ 11,300.54 – approximately 1 percent over the prior year.
- Non-operating revenues increased \$ 6,747.85 – approximately 4 percent over the prior year.
- The Commission continues to have no debt other than amounts due for unused leave time in the amount of \$ 26,832.54.
- Total net assets amounted to \$ 3,134,822.19 – a decrease of \$ 69,451.50 from the previous year or approximately 3 percent from the prior year.

### **Overview of the basic financial statements**

This discussion and analysis is intended to serve as an introduction to the Commission's financial statements, which is comprised of government wide-financial statements, fund financial statements and notes to the financial statements. There is also other supplementary information contained in this report provided for additional information. These statements include the Louisiana Veterans Memorial Foundation as a component unit. This fund is reported separately as a special revenue fund in the government-wide and fund financial statements. It is separately reported under standards for *non-profit organizations* in the supplementary information section.

### Government-wide financial statements

The government-wide financial statements present financial information for all activities of the Commission from an economic resources measurement focus using the accrual basis of accounting. They present governmental activities, such as general government, separately from business-type activities. Government-wide financial statements for governmental activities include the Statement of Net Assets and the Statement of Activities. They provide information about the activities of the Commission as a whole and present a longer-term view of the Commission's finances.

#### Statement of Net Assets.

This statement presents information on all of the Commission's assets and liabilities with the differences between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Commission is improving or not.

#### Statement of Activities.

This statement presents information showing how the Commission's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. This statement is designed to show the Commission's financial reliance on general revenues.

Both government-wide financial statements distinguish functions of the Commission that are principally supported by taxes and intergovernmental revenues (government activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the Commission include activities related to its Foundation.

### Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Commission uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The Commission has two categories of funds: governmental and proprietary funds.

#### Governmental funds.

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements except that the focus with fund statements is to provide a distinct view of the Commission's governmental funds only. These statements report short-term fiscal accountability emphasizing the use of

spendable resources during the year and balances of spendable resources available at the end of the year.

Because the view of governmental funds is short-term and the view of the government-wide financial statements is long-term, it is useful to compare these two perspectives. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provides reconciliation to the government-wide statements to assist in understanding the differences between the two viewpoints.

Budgetary comparison schedules are included for governmental funds under required supplementary information part II. These schedules indicate the Commission's compliance with its adopted and final revised budgets.

#### Proprietary funds.

These fund types report services for which fees are charged. The Commission has one proprietary fund classified as an enterprise fund. Enterprise funds encompass the same functions reported as business-type activities in the government-wide statements. For the Commission, this includes the operation of the museum, ship and gift shop.

Proprietary fund statements provide both long-term and short-term financial information consistent with the focus provided by the government-wide financial statements but with more detail.

#### Notes to the Financial Statements.

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

#### Other information.

In addition to the general-purpose financial statements and accompanying notes, this report also presents certain required supplementary information and other supplementary information including financial statements of the Louisiana Naval War Memorial Foundation.

#### Financial Analysis of the Commission

The following page presents condensed financial information on the operations of the Commission, with the Foundation broken out separately and total columns for the Commission as a whole (with prior year amounts for comparison):

LOUISIANA NAVAL WAR MEMORIAL COMMISSION  
DEPARTMENT OF CULTURE, RECREATION AND TOURISM  
STATE OF LOUISIANA  
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)  
DECEMBER 31, 2005

**SUMMARY OF NET ASSETS**

	Governmental Activities			Business-type Activities			Totals	
	2005	2004	Change	2005	2004	Change	2005	2004
<b>Assets:</b>								
Current and other assets	124,945.12	154,042.49	(29,097.37)	122,624.93	70,838.47	51,786.46	247,570.05	224,880.96
Restricted assets	68,636.75	68,622.88	13.87	3,750.08	46.29	3,703.79	72,386.83	68,669.17
Capital assets, net	-	-	-	2,851,626.86	2,981,931.34	(110,404.48)	2,851,626.86	2,961,931.34
<b>Total Assets</b>	<b>193,581.87</b>	<b>222,665.37</b>	<b>(29,083.50)</b>	<b>2,977,901.87</b>	<b>3,032,816.10</b>	<b>(54,914.23)</b>	<b>3,171,483.74</b>	<b>3,255,481.47</b>
<b>Liabilities:</b>								
Current liabilities	-	-	-	9,829.01	26,775.65	(16,946.64)	9,829.01	26,775.65
Long-term liabilities	-	-	-	26,832.54	24,432.13	2,400.41	26,832.54	24,432.13
<b>Total Liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>36,661.55</b>	<b>51,207.78</b>	<b>(14,546.23)</b>	<b>36,661.55</b>	<b>51,207.78</b>
<b>Net Assets:</b>								
Invested in capital assets, net of related debt	-	-	-	2,851,626.86	2,981,931.34	(110,404.48)	2,851,626.86	2,961,931.34
Restricted	68,636.75	68,622.88	13.87	3,750.08	46.29	3,703.79	72,386.83	68,669.17
Unrestricted	124,945.12	154,042.49	(29,097.37)	85,963.38	19,630.69	66,332.69	210,908.50	173,673.18
<b>Total Net Assets</b>	<b>193,581.87</b>	<b>222,665.37</b>	<b>(29,083.50)</b>	<b>2,941,240.32</b>	<b>2,981,608.32</b>	<b>(40,368.00)</b>	<b>3,134,822.19</b>	<b>3,204,273.69</b>

**SUMMARY OF CHANGES IN NET ASSETS**

<b>Revenues:</b>								
Charges for services	39,069.00	34,314.00	4,755.00	538,678.78	465,232.60	73,446.18	577,747.78	499,546.80
Operating grants/contributions	55,807.00	47,167.00	8,640.00	172,011.24	158,454.79	13,556.45	227,818.24	205,621.79
Capital grants/contributions	-	-	-	-	-	-	-	-
Investment & interest earnings	4,108.00	7,617.00	(3,509.00)	74.79	17.00	57.79	4,182.79	7,634.00
<b>Total Revenues</b>	<b>98,984.00</b>	<b>89,098.00</b>	<b>9,886.00</b>	<b>710,764.81</b>	<b>623,704.39</b>	<b>87,060.42</b>	<b>809,748.81</b>	<b>712,802.39</b>
<b>Expenses:</b>								
General government	16,981.50	15,831.81	1,149.69	-	-	-	16,981.50	15,831.81
Endowment	90.00	598.14	(508.14)	-	-	-	90.00	598.14
Culture/recreation	31,534.00	33,791.29	(2,257.29)	-	-	-	31,534.00	33,791.29
Gift shop	-	-	-	173,543.21	176,794.21	(3,251.00)	173,543.21	176,794.21
Camping/reunions	-	-	-	91,650.17	89,649.29	2,000.88	91,650.17	89,649.29
Ship/naulical center	-	-	-	565,401.43	552,850.77	12,550.66	565,401.43	552,850.77
<b>Total Expenses</b>	<b>48,605.50</b>	<b>50,221.24</b>	<b>(1,615.74)</b>	<b>830,594.81</b>	<b>819,294.27</b>	<b>11,300.54</b>	<b>879,200.31</b>	<b>869,515.51</b>
<b>Changes in net assets</b>	<b>50,378.50</b>	<b>38,876.76</b>	<b>11,501.74</b>	<b>(119,830.00)</b>	<b>(195,589.88)</b>	<b>75,759.88</b>	<b>(69,451.50)</b>	<b>(156,713.12)</b>
Transfers	(79,462.00)	(87,470.00)	8,008.00	79,462.00	87,470.00	(8,008.00)	-	-
Net assets - beginning	222,665.37	271,256.61	(48,593.24)	2,981,608.32	3,089,728.20	(108,119.88)	3,204,273.69	3,360,986.81
Net assets - ending	193,581.87	222,665.37	(29,083.50)	2,941,240.32	2,981,608.32	(40,368.00)	3,134,822.19	3,204,273.69



The Commission reported positive balances in net assets for both governmental and business-type activities. Governmental activities reported a decrease in net assets for 2005 in the amount of \$ 29,084 due primarily to transfers to the business-type activities. Business-type activities reported a decrease in net assets in the amount of \$ 40,368 primarily due to depreciation expense recorded for the year ended December 31, 2005 in the amount of \$ 110,404. The Commission as a whole reported a decrease in net assets for the year ended December 31, 2005 in the amount of 69,452. The Commission's total revenue increased from 2004 by \$ 96,946 with expenditures increasing \$ 9,684, as well.

#### Analysis of Budgeted Amounts

The special revenue fund realized \$ 61,284 more in revenues than anticipated in 2005, however expenditures exceeded budgeted amounts by \$ 39,616. These differences in budget to actual amounts are due to the fact that revenues and expenses for endowment and special events are not budgeted by the Commission. The net variance in projected net loss for the foundation was \$ 1,294.

#### Capital Assets and Long Term Debt Administration

##### Capital Assets

As of December 31, 2005 the Commission had \$ 2,851,527 (net of depreciation) invested in a broad range of capital assets including land, the museum, furniture, equipment and the U.S.S. Kidd (destroyer). During the current year the Commission did not record any new capital acquisitions. All assets were properly recorded with the State of Louisiana and a detailed list is maintained.

##### Long Term Debt

The Commission currently has no long-term debt with the exception of compensated absences in the amount of \$ 26,833.

#### Economic Factors and Next Year's Budgets

For 2006, we expect increased visitation due to increased booking at the Baton Rouge River Center across the street. The HMS BOUNTY will return in the spring for a port visit and the Chief Petty Officers Association will hold its annual conference in Baton Rouge in October 2006.

#### Contacting the Commission's Financial Management

This financial report is designed to provide a general overview of the Commission's finances, comply with finance related laws and regulations and demonstrate the Commission's commitment to public accountability. If you have any questions regarding this report, contact the Mr. Maury Drummond at 305 South River Road, Baton Rouge, Louisiana 70808 (225-342-1942).

**LOUISIANA NAVAL WAR MEMORIAL COMMISSION**  
**DEPARTMENT OF CULTURE, RECREATION AND TOURISM**  
**STATE OF LOUISIANA**  
**STATEMENT OF NET ASSETS**  
**DECEMBER 31, 2005**

	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
<b>Assets:</b>			
Cash and cash equivalents	\$ 24,945.12	\$ 85,581.18	\$ 110,526.30
Investments	100,000.00	-	100,000.00
Inventory, at cost	-	20,004.22	20,004.22
Accounts receivable, net	-	5,004.53	5,004.53
Prepaid insurance		12,035.00	12,035.00
Restricted cash and cash equivalents:			
Special projects/programs	10.75	3,750.08	3,760.83
Endowment	2,520.00	-	2,520.00
Restricted investments:			
Investment	66,106.00	-	66,106.00
Capital assets, net	-	2,851,526.86	2,851,526.86
<b>Total Assets</b>	<b>193,581.87</b>	<b>2,977,901.87</b>	<b>3,171,483.74</b>
<b>Liabilities:</b>			
Accounts payable and accruals	-	9,829.01	9,829.01
Compensated absences payable		26,832.54	26,832.54
<b>Total Liabilities</b>	<b>-</b>	<b>36,661.55</b>	<b>36,661.55</b>
<b>Net Assets:</b>			
Invested in capital assets net of related debt	-	2,851,526.86	2,851,526.86
Restricted for:			
Special projects/programs	10.75	3,750.08	3,760.83
Endowment	66,626.00	-	66,626.00
Unrestricted	124,945.12	85,963.38	210,908.50
<b>Total Net Assets</b>	<b>\$ 193,581.87</b>	<b>\$ 2,941,240.32</b>	<b>\$ 3,134,822.19</b>

The accompanying notes are an integral part of this statement.

**LOUISIANA NAVAL WAR MEMORIAL COMMISSION  
DEPARTMENT OF CULTURE, RECREATION AND TOURISM  
STATE OF LOUISIANA**

**STATEMENT OF NET ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2005**

Function/Programs	Program revenues			Net revenues (expenses)		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities
Governmental Activities: General government Culture/recreation	\$ 16,981.50	\$ 39,089.00	\$ -	\$ -	\$ 22,087.50	\$ -
	31,534.00	55,807.00	-	-	24,273.00	-
Total governmental activities	48,515.50	94,876.00	-	-	46,360.50	-
Business-type Activities: Gift shop Camping/reunions Ship/nautical center	173,543.21	162,666.86	-	-	-	(10,876.35)
	91,650.17	80,915.60	-	-	-	(10,734.57)
	565,401.43	295,096.32	172,011.24	-	-	(98,293.87)
Total business-type activities	830,594.81	538,678.78	172,011.24	-	(119,904.79)	(119,904.79)
Total primary government	\$ 879,110.31	\$ 633,554.78	\$ 172,011.24	\$ -	46,360.50	(119,904.79)
General revenues and transfers:						
Interest earnings					3,999.00	74.79
Earnings on endowment, net of expenses					19.00	19.00
Transfers					(79,462.00)	79,462.00
Total general revenues and transfers					(75,444.00)	79,536.79
Change in net assets					(29,083.50)	(40,368.00)
Net assets - beginning					222,665.37	2,981,608.32
Net assets - ending					\$ 193,581.87	\$ 2,941,240.32

The accompanying notes are an integral part of this statement.

**LOUISIANA NAVAL WAR MEMORIAL COMMISSION  
DEPARTMENT OF CULTURE, RECREATION AND TOURISM  
STATE OF LOUISIANA  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2005**

**Special Revenue Fund**

**Assets and other debits:**

Cash and cash equivalents	\$ 24,945.12
Investments	100,000.00
Restricted cash and cash equivalents:	
Special projects/programs	10.75
Endowment	2,520.00
Restricted investment - endowment	66,106.00
<b>Total assets and other debits</b>	<b><u>193,581.87</u></b>

**Liabilities, equity and other credits:**

**Liabilities:**

Accounts payable and accruals	-
<b>Total Liabilities</b>	<b><u>-</u></b>

**Equity and other credits:**

Fund Balances:	
Restricted for:	
Special projects/programs	10.75
Endowment	68,626.00
Unrestricted/undesignated	124,945.12
<b>Total equity and other credits</b>	<b><u>193,581.87</u></b>
<b>Total liabilities, equity and other credits</b>	<b><u>\$ 193,581.87</u></b>

The accompanying notes are an integral part of this statement.

**The accompanying notes are an integral part of this statement.**

LOUISIANA NAVAL WAR MEMORIAL COMMISSION  
DEPARTMENT OF CULTURE, RECREATION AND TOURISM  
STATE OF LOUISIANA  
STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2005

**Special Revenue Fund**

**Revenues:**

Memberships	\$ 39,069.00
Special projects/programs	55,807.00
Endowment revenues	108.00
Interest earned	3,999.00
<b>Total Revenues</b>	<u>98,984.00</u>

**Expenses:**

Endowment expenses	90.00
Office expenses	2,724.00
Postage & printing	10,717.50
Professional Services	3,540.00
Special projects/programs	31,534.00
<b>Total Expenses</b>	<u>48,605.50</u>
<b>Excess revenue over expenditures</b>	<u>50,378.50</u>

**Other financing sources (uses):**

Operating transfers out	<u>79,462.00</u>
Excess or deficit	(29,083.50)
Fund balances - beginning of period	<u>222,665.37</u>
Fund balances - end of period	<u><u>\$ 193,581.87</u></u>

The accompanying notes are an integral part of this statement.

**LOUISIANA NAVAL WAR MEMORIAL COMMISSION  
DEPARTMENT OF CULTURE, RECREATION AND TOURISM  
STATE OF LOUISIANA  
RECONCILIATION OF THE GOVERNMENTAL FUND STATEMENT  
OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2005**

Net change in fund balances - total governmental funds      \$      (29,083.50)

Amounts reported for governmental activities in the  
Statement of Activities are different because:

There were no activities during the year that  
were reported differently in preparing the  
government wide financial statements.

Change in net assets - governmental activities	<u>\$      (29,083.50)</u>
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The accompanying notes are an integral part of this statement.

**LOUISIANA NAVAL WAR MEMORIAL COMMISSION**  
**DEPARTMENT OF CULTURE, RECREATION AND TOURISM**  
**STATE OF LOUISIANA**  
**BALANCE SHEET**  
**PROPRIETARY FUNDS**  
**DECEMBER 31, 2005**

**Enterprise Fund**

**Assets:**

Cash and cash equivalents	\$ 85,581.18
Inventory, at cost	20,004.22
Accounts receivable, net	5,004.53
Prepaid insurance	12,035.00
Restricted cash and cash equivalents:	
Special projects/programs	3,750.08
Capital assets, net	2,851,526.86
<b>Total assets</b>	<b><u>2,977,901.87</u></b>

**Liabilities and net assets:**

**Liabilities:**

Accounts payable and accruals	9,829.01
Compensated absences payable	26,832.54
<b>Total liabilities</b>	<b><u>36,661.55</u></b>

**Net Assets:**

Invested in capital assets, net of related debt	2,851,526.86
Restricted for:	
Special programs/projects	3,750.08
Unrestricted	85,963.38
<b>Total net assets</b>	<b><u>2,941,240.32</u></b>
<b>Total liabilities and net assets</b>	<b><u>\$ 2,977,901.87</u></b>

The accompanying notes are an integral part of this statement.



**LOUISIANA NAVAL WAR MEMORIAL COMMISSION  
DEPARTMENT OF CULTURE, RECREATION AND TOURISM  
STATE OF LOUISIANA  
STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN NET ASSETS  
· PROPRIETARY FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2005**

**Enterprise Fund**

**Operating Revenues:**

Admissions	\$ 271,909.57
Sales	162,666.86
Programs	80,915.60
Special events	9,346.75
Other operating revenues	15,825.58

<b>Total Operating Revenues</b>	540,664.36
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**Operating Expenses:**

Salaries and related benefits	416,659.27
Purchases	71,961.37
Administrative	97,903.56
Maintenance & supplies	106,410.52
Programs	18,898.65
Special events	8,556.96
Depreciation	110,404.48

<b>Total Operating Expenses</b>	830,594.81
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<b>Operating income (loss)</b>	(289,930.45)
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**Non-operating revenues (expenses):**

Interest income	74.79
Grant proceeds	156,185.66
Leases and fees	13,840.00

<b>Total non-operating revenues (expenses)</b>	170,100.45
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<b>Income (loss) before operating transfers</b>	(119,830.00)
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**Operating transfers:**

Operating transfers in (out)	79,462.00
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Excess or (deficit)	(40,368.00)
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Net assets - beginning	2,981,608.32
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Net assets - ending	\$ 2,941,240.32
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The accompanying notes are an integral part of this statement.

**LOUISIANA NAVAL WAR MEMORIAL COMMISSION  
DEPARTMENT OF CULTURE, RECREATION AND TOURISM  
STATE OF LOUISIANA  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2005**

**Enterprise fund**

**CASH FLOWS FROM OPERATING ACTIVITIES:**

Cash received from customers	\$ 533,192.83
Cash paid to employees for services	(412,925.34)
Cash paid to suppliers for goods and services	(315,451.28)
Net cash provided (used) for operating activities	<u>(195,183.79)</u>

**CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:**

Grants received	156,185.66
Leases and docking fees received	13,840.00
Transfers	79,462.00
Net cash provided (used) by non-capital financing activities	<u>249,487.66</u>

**CASH FLOWS FROM INVESTING ACTIVITIES:**

Interest received	<u>74.79</u>
Net cash provided (used) for financing activities	<u>74.79</u>
Net increase (decrease) in cash and cash equivalents	54,378.66
Cash and cash equivalents - beginning of the year	<u>34,952.60</u>
Cash and cash equivalents - end of the year	<u><u>\$ 89,331.26</u></u>

**RECONCILIATION OF OPERATING LOSS TO NET CASH  
USED FOR OPERATING ACTIVITIES:**

Operating loss	\$ (289,930.45)
Adjustments to reconcile operating loss to net cash provided (used) for operating activities:	
Depreciation	110,404.48
(Increase) decrease in assets:	
Inventory	809.94
Accounts receivable	(1,921.53)
Increase (decrease) in liabilities:	
Accounts payable	(11,396.64)
Compensated absences	2,400.41
Deferred revenue	(5,550.00)
Net cash provided (used) for operating activities	<u><u>\$ (195,183.79)</u></u>

The accompanying notes are an integral part of this statement.

**LOUISIANA NAVAL WAR MEMORIAL COMMISSION  
DEPARTMENT OF CULTURE, RECREATION AND TOURISM  
STATE OF LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2005**

**INTRODUCTION**

The Louisiana Naval War Memorial Commission (the Commission) is a component unit of the State of Louisiana, created within the Louisiana Department of Culture, Recreation and Tourism, as provided by Louisiana Revised Statute 25:1000:1003. The Commission is composed of 17 members, one of whom is the Secretary of the Department of Culture, Recreation and Tourism or his designee, the Director of Veterans Affairs and 15 members appointed by the Governor. The commissioners are not paid for their service.

The Commission was given the authority to acquire, transport, berth, renovate, equip, operate, maintain and exhibit the destroyer U.S.S. Kidd and other property acquired for use as a permanent public naval and marine corps memorial and any improvements and exhibits located thereon and any additions constructed, created, leased, acquired or erected in connection herewith. The U.S.S. Kidd and museum are located in Baton Rouge, Louisiana. The Commission's primary revenues include admission fees, gift shop sales and grants.

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting and reporting practice of the Commission conforms to generally accepted accounting principles (GAAP) as applicable to governments. Such accounting and reporting procedures also conform to the requirements of Louisiana Revised Statute 24:513 and to the guides set forth in the *Louisiana Governmental Audit Guide*, and to the industry audit guide, *Audits of State and Local Governmental Units*.

In June 1999, the Governmental Accounting Standards Board (GASB) approved Statement No. 34, "*Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*". The implementation of this statement has created additional statements, schedules, reports, and note disclosures as follows:

- A Management Discussion and Analysis (MD&A) section providing an analysis of the overall financial position and results of operations.
- Financial Statements are prepared using the full accrual accounting methods:
  - Depreciation is recorded on depreciable assets and property and equipment (including infrastructure) is recorded net of accumulated depreciation.
- The basic financial statements include Government-Wide Statements and Fund Financial Statements, as explained in the following note disclosures:

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**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

The following is a summary of certain significant accounting policies:

**Financial Reporting Entity:**

Governmental Accounting Standards Board Statement No. 14 established criteria for determining which component units should be considered part of the reporting entity for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. This criteria includes:

1. Appointing a voting majority of an organization's governing body, and
  - a. The ability of the State to impose its will on that organization and/or
  - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the State.
2. Organizations for which the State does not appoint a voting majority but are fiscally dependent on the State.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Because the State of Louisiana, via the Governor, appoints the majority of the members of the Louisiana Naval War Memorial Commission's governing board and therefore has the ability to impose its will on the Commission, the Commission was determined to be a component unit of the State of Louisiana. The accompanying financial statements present the transactions of the Louisiana Naval War Memorial Commission and its blended component unit, the Louisiana Veterans Memorial Foundation (the Foundation), as required by generally accepted accounting principles. The accompanying financial statements present information only on the funds maintained by the Commission and do not present information on the State of Louisiana, the general government services provided by that government unit, or the other governmental units that comprise the financial reporting entity.

**Government-wide and fund financial statements:**

The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) report information on all of the non-fiduciary activities of the primary government.

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SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Other items not properly included among program revenues are reported instead as *general revenues*. Major individual governmental funds are reported as separate columns in the fund financial statements.

Policies specific to the government-wide financial statements are as follows:

Eliminating Internal Activity

Interfund receivables and payables are eliminated in the Statement of Net Assets except for the net residual amounts due between governmental and business-type activities. These are presented as internal balances. The allocation of overhead expenses from one function to another or within the same function are eliminated in the statement of activities. Allocated expenses are reported by the function to which they were allocated.

Application of FASB Statements and Interpretations

The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). Governments are also required to follow the pronouncements of the Financial Accounting Standards Board (FASB) issued through November 30, 1989 (when applicable) that do not conflict with or contradict GASB pronouncements. Reporting of governmental-type and business-type activities are based on FASB Statements and Interpretations issued after November 30, 1989, except where they conflict or contradict GASB pronouncements.

Capitalizing Assets

Assets used in operations with an initial useful life that extends beyond one year are capitalized. Buildings, equipment, furniture and fixtures and infrastructure (including the USS Kidd destroyer) are depreciated over their estimated useful lives. Depreciation is not calculated on land, land improvements or construction in progress. Capital assets are reported net of accumulated depreciation in the Statements of Net Assets.

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**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Using the requirements of GASB Statement No. 34, the Commission is considered a Phase 3 government as its total annual revenues are less than \$ 10 million. Such governments are not required to report major general infrastructure assets retroactively. The Commission has opted not to retroactively report these types of capital assets.

**Program Revenues**

The Statement of Activities presents three categories of program revenues – (1) charges for services; (2) operating grants and contributions; and (3) capital grants and contributions. The Commission did not receive any capital grants or contributions.

Charges for services – are revenues from exchanges or exchange like transactions with external parties that purchase, use or directly benefit from goods, services, or privileges provided by the Commission.

Operating grants and contributions – are resources that are restricted for operating purposes of a program. They include grants and contributions with restrictions that permit the resources to be used for operating expenses or capital expenditures of the program at the recipient government's discretion.

Capital grants and contributions – consist of capital assets or resources that are restricted for capital purposes – to purchase, construct, or renovate capital assets associated with a specific program.

**Indirect Expenses**

Expenses are reported according to function except for those that meet the definition of special or extraordinary items. Direct expenses are specifically associated with a service or program. Indirect expenses include general government or administration that cannot be specifically traced to a service or program. Governments are not required to allocate indirect expenses to other functions, and the Commission has chosen not to do so.

**Operating Revenues**

Proprietary funds separately report operating and non-operating revenues. Revenues from transactions of the Commission's operation of the ship and nautical center are considered operation revenues. All other revenues, which are reported as cash flows from capital or non-capital financing and investing are reported as non-operating revenues.

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SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Restricted Net Assets

Restricted net assets are those for which a constraint has been imposed either externally or by law. The Commission recognized the use of restricted resources for expenditures that comply with the specific restrictions. Restricted resources are exhausted before unrestricted net assets are used.

**Measurement focus, basis of accounting, and financial statement presentation**

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within thirty-one days after the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred as under accrual accounting.

Governmental Funds

Governmental funds are those through which most governmental functions typically are financed. Governmental funds reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to various governmental funds according to the purpose for which they may or may not be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance.

The Commission reports the following major governmental funds:

Special Revenue Fund

The Special Revenue Fund accounts for the proceeds of specific revenue sources that are legally reserved to expenditures of specific purposes.

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**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Proprietary Funds**

Proprietary funds account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. Proprietary funds differ from governmental funds in that their focus is on income measurement, which together with the maintenance of equity, is an important financial indicator.

The Commission reports the following major proprietary funds:

**Enterprise Fund**

Enterprise funds account for operations (a) where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods and services to the general public on a continuing basis be financed or recovered primarily through user charges, or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

**Revenues – Exchange and Non-Exchange Transactions**

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon thereafter to be used to pay the liabilities of the current fiscal year. For the Commission, available means expected to be received within thirty-one days of fiscal year-end. Under the modified accrual basis, only interest is considered to be both measurable and available at fiscal year-end.

Non-exchange transactions, in which the Commission receives value without directly giving value in return, includes grants and donations. On an accrual basis, revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements including timing requirements, which specify the year when resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the Commission must provide local resources to be used for a specific purpose, and expenditure requirements, in which the resources are provided to the Commission on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions must be available before it can be recognized.



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SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Expenses/Expenditures

On an accrual basis of accounting, expenses are recognized at the time they are incurred. The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable.

Other Financing Sources (Uses)

In governmental fund accounting, transfers between funds, which are not expected to be repaid, are accounted for as other financing sources (uses). In those cases where repayment is expected, the advances are accounted for through the various "due from" and "due to" accounts. These amounts are eliminated in the government-wide financial statements.

Capital Assets:

Property and Equipment are recorded at cost, if purchased or constructed. Assets acquired through contributions are capitalized at their estimated fair value, if available, or at estimated fair value or cost to construct at the date of the contribution. All items purchased or donated that are valued above \$ 1,000 are capitalized. Infrastructure as listed below includes the USS KIDD destroyer. Assets are depreciated using the straight-line method over the useful lives of the assets as follows:

<u>Asset</u>	<u>Years</u>
Vehicles	7-10
Equipment	4-10
Furniture and Fixtures	5-7
Buildings	40
Infrastructure	40-50

In June 1999, the Governmental Accounting Standards Board issued Statement No. 34 which requires the inclusion of infrastructure assets used in governmental activities in the basic financial statements retroactively reported back to 1982. An exception exists for local governments with annual revenues of less than \$ 10 million. As a result of this exception, the Commission has elected to not report its governmental infrastructure retroactively. From this point forward, the Commission will use the basic approach to infrastructure reporting for its governmental activities when applicable.

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**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Under GASB Statement No. 34 the government-wide financial statements and the fund financial statements do not include the General Fixed Asset Account Group.

**Long-Term Obligations:**

In the government-wide financial statements, debt principal payments of both government and business-type activities are reported as decreases in the balance of the liability on the statement of net assets. In the fund financial statements, however, debt principal payments of governmental funds are recognized as expenditures when paid. The Commission has no long term obligations other than compensated absences.

Under GASB Statement No. 34 the government-wide financial statements and the fund financial statements do not include the General Long Term Debt Account Group.

**Budget Practices:**

The Commission adopts an annual budget for all of its funds. It is prepared in accordance with the basis of accounting utilized by that fund. Any revisions that alter the total expenditures must be approved by the Board. Budgeted amounts shown are as originally adopted and as amended by the Board. Budget amendments are passed on an as-needed basis. A balanced budget is required.

**Encumbrances:**

Encumbrance accounting is not utilized by the Commission.

**Cash, Cash Equivalents and Investments:**

Cash and cash equivalents include demand deposits in banks and the State Treasury. The caption "cash in banks" on the Statement of Net Assets includes all cash on deposit at banks, including certificates of deposit with an original maturity of less than 90 days. If the original maturity exceeds 90 days they are classified as investments.

Louisiana state law allows all political subdivisions to invest excess funds in obligations of the United States, certificates of deposit of any bank domiciled or having a branch office in the State of Louisiana.

Louisiana state law requires deposits (cash and certificates of deposit) of all political subdivisions be fully collateralized at all times. Acceptable collateralization includes the FDIC insurance and the market value of securities purchased and pledged to the political subdivision.

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**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Obligations of the United States, the State of Louisiana and certain political subdivisions are allowed as security for deposits. Obligations furnished as security must be held by the political subdivision or with an unaffiliated bank or trust company for the account of the political subdivision. The market value of the demand deposits and certificates of deposit is equal to their cost (face value of the certificate).

**Compensated Absences:**

Employees accumulate annual and sick leave at various rates based on their years of service. The amount of annual and sick leave that may be accumulated by each employee is unlimited. Upon termination, an employee is compensated for up to 300 hours of unused annual leave at the employee's hourly rate of pay. The liability for leave privileges at December 31, 2005 is estimated to be \$ 26,832.54 which is recorded as a liability in the government-wide financial statements.

**Use of Estimates:**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the data of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**Inventory:**

Inventory is stated at cost (first-in, first-out) and is maintained through utilization of a perpetual system. A physical count is made at the end of each year. Any adjustments to ending inventory valuation is investigated and the appropriate adjustment is made.

**Restricted Assets:**

Certain proceeds of enterprise funds and special revenue funds are recorded as restricted because their use is limited (or restricted) by the donor.

**Prepaid Items:**

Prepaid items consist of payments made in advance for future expenditures.

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**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Deferred Revenue:**

Deferred revenue consists of amounts received in advance from customers for the overnight camping program. These amounts will be reclassified as program revenues after the Commission has provided the contracted service.

**Interfund Transactions:**

All interfund transactions except quasi-external transactions, are reported as operating transfers. These are eliminated in the government-wide financial statements.

**Net Assets/Fund Balances:**

In the statements of net assets, the difference between a government's assets and liabilities is recorded as net assets. The three components of net assets are as follows:

- *Invested in Capital Assets, Net of Related Debt* – This category records capital assets net of accumulated depreciation and reduced by any outstanding balances of bonds, mortgages, notes or other borrowings attributable to the acquisition, construction or improvements of capital assets.
- *Restricted Net Assets* – This category includes net assets that are reserved by external sources such as banks or by law are reported separately as restricted net assets. When assets are required to be retained in perpetuity, these non-expendable net assets are recorded separately from expendable net assets. These are components of restricted net assets.
- *Unrestricted Net Assets* – This category represents net assets not appropriable for expenditures or legally segregated for a specific future use.

In the Balance sheet of governmental funds, fund balances are segregated as follows:

- *Restricted Fund Balances* – These resources are segregated because their use is earmarked for a specific purpose.
- *Unrestricted/undesignated Fund Balances* – This category represents that portion of equity not appropriable for expenditures or legally segregated for a specific future use.

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**NOTE 2.     JUDGEMENTS, CLAIMS, AND SIMILAR CONTINGENCIES**

There is Commission is not aware of any litigation requiring disclosure or accrual in the financial statements.

The Commission is in a dispute with the State of Louisiana Division of Administration, Office of Risk Management over outstanding invoices. These invoices as reported on the Office of Risk Management Statement are for years ending 1997, 2000, 2001 and 2002 and amount to a total of \$ 21,008.45. The Commission contends that a prior arrangement was made with the former Commissioner of the Division of Administration regarding premium reductions for the years in question. The Commission believes that once communication is established between the Office of Risk Management and the appropriate individuals with the State of Louisiana Division of Administration this will be resolved in the Commission's favor. No amounts related to this dispute have been recorded in financial statements for the year ended December 31, 2005.

**NOTE 3.     PENSION PLAN**

All employees of the Commission are members of the Federal Social Security System in which they contribute 7.65% of their gross salaries and the Commission matches their contribution. Contributions made by the Commission to the Federal Social Security System were \$ 24,507.47, \$ 23,183.11 and \$ 23,059.80 for the years ended December 31, 2005, 2004 and 2003 respectively.

Full time employees are also eligible to participate in the Louisiana Deferred Compensation Program adopted under the provisions of Internal Revenue Code Section 457. Through this plan, employees voluntarily contribute a percentage of their salary while the Commission matches it up to the first 5% of gross salaries. The benefit cost to the Commission was \$ 11,052.13, \$ 10,478.02 and \$ 9,839.09 for the years ended December 31, 2005, 2004 and 2003 respectively.

**NOTE 4.     PER DIEM PAID BOARD MEMBERS**

The Commission members are not paid for their services.

**NOTE 5.     RELATED PARTY TRANSACTIONS**

The Commission is not aware of any related party transactions for the year ended December 31, 2005. The Commission's policy is to not engage in any related party transactions.

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**NOTE 6.     PROPERTY AND EQUIPMENT**

The Commission reports capital assets at historical cost in its enterprise fund (business-type activities). The following changes in capital assets were reported for the year ended December 31, 2005:

	Balance 1/1/2005	Additions	Deletions	Balance 12/31/2005
<u>Capital Assets not being depreciated:</u>				
Land	\$ 268,500.00	\$ -	\$ -	\$ 268,500.00
Total capital assets not being depreciated	<u>268,500.00</u>	<u>-</u>	<u>-</u>	<u>268,500.00</u>
<u>Capital Assets being depreciated:</u>				
U.S.S. KIDD (destroyer)	1,905,724.79	-	-	1,905,724.79
Museum	2,805,695.30	-	-	2,805,695.30
Furniture and equipment	91,942.54	-	-	91,942.54
Total capital assets being depreciated	<u>4,803,362.63</u>	<u>-</u>	<u>-</u>	<u>4,803,362.63</u>
<u>Accumulated Depreciation:</u>				
	Balance 1/1/2005	Additions	Deletions	Balance 12/31/2005
U.S.S. KIDD (destroyer)	889,338.23	42,349.44	-	931,687.67
Museum	1,150,177.06	62,197.87	-	1,212,374.93
Furniture and equipment	70,416.00	5,857.17	-	76,273.17
Total accumulated depreciation	<u>2,109,931.29</u>	<u>110,404.48</u>	<u>-</u>	<u>2,220,335.77</u>
Total capital assets being depreciated, net	<u>2,693,431.34</u>	<u>(110,404.48)</u>	<u>-</u>	<u>2,583,026.86</u>
Total capital assets, net	\$ <u>2,961,931.34</u>	\$ <u>(110,404.48)</u>	\$ <u>-</u>	\$ <u>2,851,526.86</u>

Depreciation expense was recorded in the amount of \$ 110,404.48 for the year ended December 31, 2005. There were no capital assets placed in service during the year ended December 31, 2005.

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**NOTE 7.     LONG-TERM OBLIGATIONS**

The Commission has no outstanding debt as of December 31, 2005. The Commission's only long-term obligations consist of compensated absences in the amount of \$ 26,832.54.

**Changes in Long-Term Liabilities**

A summary of changes in long-term liabilities follows:

	<u>1/1/2005</u>	<u>Additions</u>	<u>Deletions</u>	<u>12/31/2005</u>	<u>Amounts due within one year</u>
Compensated Absences	\$ 24,432.13	\$ 5,906.57	\$ (3,506.16)	\$ 26,832.54	\$ -
	<u>\$ 24,432.13</u>	<u>\$ 5,906.57</u>	<u>\$ (3,506.16)</u>	<u>\$ 26,832.54</u>	<u>\$ -</u>

**NOTE 8.     CASH AND INVESTMENTS**

**Cash and cash equivalents:**

The carrying amounts of the Commission's deposits are as follows for the year ended December 31, 2005:

**Special Revenue Fund:**

Demand deposits	\$ 0.00
Interest bearing demand deposits	2,473.07
Money market savings	<u>25,002.80</u>
Total special revenue fund	<u>\$ 27,475.87</u>

**Enterprise fund:**

Demand deposits	\$ 82,881.18
Interest bearing demand deposits	3,750.08
Money market savings	0.00
Petty cash	<u>2,700.00</u>
Total enterprise fund	<u>\$ 89,331.26</u>

Cash and cash equivalents are stated at cost, which approximates market.

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**NOTE 8.     CASH AND INVESTMENTS - continued**

Under State law, deposits must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These pledged securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank in the form of safekeeping receipts held by the State Treasurer.

GASB Statement No. 40, which amended GASB Statement No. 3, only requires disclosure of deposits that are considered to be exposed to custodial credit risk. An entity's deposits are exposed to custodial credit risk if the deposit balances are either:

- 1) uninsured and uncollateralized,
- 2) uninsured and collateralized with securities held by the pledging financial institution or
- 3) uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the entity's name

At December 31, 2005, the Commission had \$ 104,738.35 in deposits, (collected bank balances), of which all but \$ 4,738.35 (Category 1 as listed above under the provisions of GASB Statement No. 40) are fully insured by federal deposit insurance.

At December 31, 2005, the Foundation (Special revenue fund) had \$ 68,626.00 in deposits, (collected bank balances), which are fully insured by federal deposit insurance.

At December 31, 2005, the Foundation (Special revenue fund) had \$ 124,955.87 in deposits, (collected bank balances), of which \$ 24,955.87 were un-insured and uncollateralized – Category 1 as listed above under the provisions of GASB Statement No. 40.

**Investments (Certificates of Deposit):**

At December 31, 2005 all "investments" reported in the Commission's financial statements are included in its special revenue fund.

At December 31, 2005 the Foundation held "investments", which were actually certificates of deposit at two financial institutions located in the Baton Rouge area. One such certificate of deposit is fully insured by federal deposit insurance and is located at Hancock Bank in the amount of \$ 66,106.00. The other certificates of deposits are located at Regions Bank and consist of four (4) separate certificates in the amount of \$ 25,000 each for a total of \$ 100,000 – these are insured by federal deposit insurance up to the amounts allowed as discussed in the preceding paragraphs. Interest rates range between 1% and 3% percent. The fair value and cost



**LOUISIANA NAVAL WAR MEMORIAL COMMISSION  
DEPARTMENT OF CULTURE, RECREATION AND TOURISM  
STATE OF LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2005**

**NOTE 8.     CASH AND INVESTMENTS - continued**

of each are equal to the each investment's carrying amount - \$ 66,106.00 for the Hancock Bank certificate and \$ 100,000 for the Regions Bank certificates.

**NOTE 9.     DEFERRED REVENUE**

For business-type activities, amounts received in advance from customers for the overnight camping program have been recorded as deferred revenue. The Commission will recognize revenue from these customers when services have been performed as contractually obligated. The total amount recorded as deferred revenue at December 31, 2005 is \$ 0.00.

**NOTE 10.    COOPERATIVE ENDEAVOR AGREEMENT**

The Commission has signed a Cooperative Endeavor Agreement with its blended component unit, the Louisiana Veterans' War Memorial Foundation (the Foundation). Under this agreement the Foundation remits \$ 750 per month to the Commission for re-imbursement of expenses used to operate the Foundation. These amounts are recorded as transfers in the financial statements.

**NOTE 11.    ACCOUNTS RECEIVABLE**

The Commission has recorded accounts receivable as of December 31, 2005 in the amount of \$ 5,004.53. This entire amount is recorded in the enterprise fund and is related to fees for admissions.

**NOTE 12.    ACCOUNTS PAYABLE**

The Commission has recorded accounts payable as of December 31, 2005 in the following amounts:

<u>Special Revenue Fund:</u>	
	NONE
Total special revenue fund	\$ <u>0.00</u>
 <u>Enterprise fund:</u>	
Accounts payable	\$ 7,488.47
Sales taxes	421.78
Withholding and payroll taxes	<u>1,918.76</u>
Total enterprise fund	\$ <u>9,829.01</u>

**LOUISIANA NAVAL WAR MEMORIAL COMMISSION  
DEPARTMENT OF CULTURE, RECREATION AND TOURISM  
STATE OF LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2005**

**NOTE 13.     STATEMENT OF CASH FLOWS FOR PROPRIETARY FUNDS**

For purposes of the statement of cash flows of proprietary fund types, all highly liquid investments, including restricted assets, with an original maturity of three months or less are considered cash equivalents. The cash and cash equivalents as stated on the Statement of Cash Flows at December 31, 2005 is as follows:

Unrestricted cash and cash equivalents	\$ 85,581.18
Restricted cash and cash equivalents	<u>3,750.08</u>
Total cash for cash flow statement	<u>\$ 89,331.26</u>

**LOUISIANA NAVAL WAR MEMORIAL COMMISSION  
DEPARTMENT OF CULTURE, RECREATION AND TOURISM  
STATE OF LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2005**

**REQUIRED SUPPLEMENTARY INFORMATION – PART II**

**LOUISIANA NAVAL WAR MEMORIAL COMMISSION**  
**DEPARTMENT OF CULTURE, RECREATION AND TOURISM**  
**STATE OF LOUISIANA**  
**REQUIRED SUPPLEMENTARY INFORMATION - PART II**  
**BUDGETARY COMPARISON SCHEDULE**  
**SPECIAL REVENUE FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2005**

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUES</b>				
Memberships	\$ 35,000.00	\$ 35,000.00	\$ 39,069.00	\$ 4,069.00
Special projects/programs	-	-	55,807.00	55,807.00
Endowment revenues	-	-	109.00	109.00
Investment earnings & Interest	2,700.00	2,700.00	3,999.00	1,299.00
<b>Total Revenues</b>	<b>37,700.00</b>	<b>37,700.00</b>	<b>98,984.00</b>	<b>61,284.00</b>
<b>EXPENDITURES</b>				
Endowment expenses	-	-	90.00	(90.00)
Office expense	100.00	100.00	2,724.00	(2,624.00)
Postage and printing	5,000.00	5,000.00	10,717.50	(5,717.50)
Professional fees	3,390.00	3,390.00	3,540.00	(150.00)
Special projects/programs	-	-	31,534.00	(31,534.00)
Miscellaneous	500.00	500.00	-	500.00
<b>Total Expenditures</b>	<b>8,990.00</b>	<b>8,990.00</b>	<b>48,605.50</b>	<b>(39,615.50)</b>
<b>Excess of revenues over expenditures</b>	<b>28,710.00</b>	<b>28,710.00</b>	<b>50,378.50</b>	<b>21,668.50</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Operating Transfers Out	(56,500.00)	(56,500.00)	(79,462.00)	(22,962.00)
<b>Total other financing sources (uses)</b>	<b>(56,500.00)</b>	<b>(56,500.00)</b>	<b>(79,462.00)</b>	<b>(22,962.00)</b>
<b>Excess of revenues and other financing sources over expenses and other financing uses</b>	<b>(27,790.00)</b>	<b>(27,790.00)</b>	<b>(29,083.50)</b>	<b>(1,293.50)</b>
<b>Fund balances - beginning of year</b>	<b>222,665.37</b>	<b>222,665.37</b>	<b>222,665.37</b>	<b>-</b>
<b>Fund balances - end of year</b>	<b>\$ 194,875.37</b>	<b>\$ 194,875.37</b>	<b>\$ 193,581.87</b>	<b>\$ (1,293.50)</b>

See Auditor's Report

**LOUISIANA NAVAL WAR MEMORIAL COMMISSION  
DEPARTMENT OF CULTURE, RECREATION AND TOURISM  
STATE OF LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2005**

**OTHER SUPPLEMENTARY INFORMATION**

# Hienz Macaluso LLC

Certified Public Accountants

ROBERT W. HIENZ, C.P.A.  
ANTHONY J. MACALUSO, JR., C.P.A.

DAVID V. ERNST

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## Report on Internal Control over Financial Reporting and on Compliance and Other Matters based upon an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

**Board of Commissioners of the  
Louisiana Naval War Memorial Commission  
Department of Culture, Recreation and Tourism  
State of Louisiana  
305 South River Road  
Baton Rouge, Louisiana 70802**

We have audited the financial statements of the governmental activities, the business-type activities and each major fund of the Louisiana Naval War Memorial Commission (the "Commission"), as of and for the year ended December 31, 2005, which collectively comprise the Commission's basic financial statements and have issued our report thereon dated June 24, 2006. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

### Internal Control over Financial Reporting

In planning and performing our audit, we considered the Commission's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide an opinion on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Commission's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

However, we noted certain matters that we reported to management of the Commission in a separate letter dated June 24, 2006.

This report is intended solely for the information and use of Commission, management, and the Legislative Auditor of the State of Louisiana and federal and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

*Hienz & Macaluso, LLC*

**HIENZ & MACALUSO, L.L.C.**  
Metairie, LA  
June 24, 2006

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED DECEMBER 31, 2005**

We have audited the basic financial statements of the Louisiana Naval War Memorial Commission (the "Commission") as of and for the year ended December 31, 2005, and have issued our report thereon dated June 24, 2006. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our audit of the financial statements as of December 31, 2005 resulted in an unqualified opinion.

**Section I - Summary of Auditor's Reports**

**a. Report on Internal Control and Compliance Material to the Financial Statements:**

Internal Control:

Material Weakness - **NO**

Reportable Conditions - **NO**

Compliance:

Compliance Material to the Financial Statements - **NO**

**b. Federal Awards:**

The Commission received no federal awards for the year ended December 31, 2005.

**Section II - Financial Statement Findings**

There were no financial statement findings for the year ended December 31, 2005.

**Section III - Federal Award Findings and Questioned Costs**

Not applicable.

**Section IV - Management Letter**

A management letter was issued in connection with the audit for the year ended December 31, 2005.



**SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS  
FOR THE YEAR ENDED DECEMBER 31, 2005**

*Section I – Internal Control and Compliance Material to the Financial Statements*

There were no prior year findings.

*Section II – Internal Control and Compliance Material to Federal Awards*

The Commission received no federal awards for the year ended December 31, 2004.

*Section III - Management Letter*

A management letter was issued in connection with the audit for the year ended December 31, 2004. The management letter comments are summarized below:

***2004-1 Uninsured cash deposits (comment repeated from 2003 and repeated in 2005):***

Cash deposits from the Foundation at Union Planters Bank were uninsured at December 31, 2004 in the amount of \$ 54,059.37.

An effective internal control system should be in place that monitors cash (bank) balances at financial institutions and safeguards the assets of the organization.

It was recommended that procedures be established to periodically review bank balances. Should cash deposits be uninsured, a plan should be included in this procedure to move uninsured funds to another financial institution. The balances at any one financial institution should not exceed the federally insured deposit limits (\$ 100,000) where collateral is not secured in accordance with Louisiana State laws.

The Commission has formerly asked the Attorney General for an opinion on this matter but has not received the AG opinion as of the date of this report – UNRESOLVED.

**MANAGEMENT'S CORRECTIVE ACTION PLAN  
FOR THE YEAR ENDED DECEMBER 31, 2005**

*Section I – Internal Control and Compliance Material to the Financial Statements*

There were no current or prior year findings.

*Section II – Internal Control and Compliance Material to Federal Awards*

The Commission received no federal awards for the year ended December 31, 2005 or 2004.

*Section III - Management Letter*

A management letter was issued in connection with the audit for the year ended December 31, 2005. The following comment was reported:

***2005-1 Uninsured cash deposits (repeat comment from 2004 and 2003):***

Cash deposits at a local Bank in Baton Rouge for the Foundation were uninsured as of December 31, 2005 in the amount of \$ 24,955.87 and for the Commission in the amount of \$ 4,738.35.

An effective internal control system should be in place that monitors cash (bank) balances at financial institutions and safeguards the assets of the organization.

It was recommended that procedures be established to periodically review bank balances. Should cash deposits be uninsured, a plan should be included in this procedure to move uninsured funds to another financial institution. The balances at any one financial institution should not exceed the federally insured deposit limits (\$ 100,000) where collateral is not secured in accordance with Louisiana State laws.

***MANAGEMENT'S CORRECTION ACTION:***

*Management (responsible party: Maury Drummond) has inquired with the attorney general of Louisiana and asked for an opinion on this matter. An AG opinion had not been issued as of the date of this report.*

### **LOUISIANA VETERANS MEMORIAL FOUNDATION**

When a component unit is blended, it becomes a special revenue fund of the primary unit. Such is the presentation of the Louisiana Veterans Memorial Foundation in the accompanying financial statements prepared under generally accepted governmental accounting principles. The following statements of the Foundation have been prepared using principles set forth in FASB Statement No. 117 applicable to not-for-profit organizations. The amounts recorded have been subjected to the same auditing procedures as those recorded in the accompanying financial statements.

**LOUISIANA VETERANS MEMORIAL FOUNDATION  
OTHER SUPPLEMENTARY INFORMATION  
STATEMENT OF FINANCIAL POSITION  
DECEMBER 31, 2005**

**Assets:**

Cash and cash equivalents	\$ 24,945.12
Investments	100,000.00
Restricted cash and cash equivalents:	
Special projects/programs	10.75
Endowment	2,520.00
Restricted investment - endowment	66,106.00
<b>Total assets</b>	<u>193,581.87</u>

**Liabilities and net assets:**

**Liabilities:**

Accounts payable and accruals	-
<b>Total liabilities</b>	<u>-</u>

**Net Assets:**

Temporarily restricted for:	
Special projects/programs	10.75
Permanently restricted	88,826.00
Unrestricted	124,945.12
<b>Total net assets</b>	<u>193,581.87</u>
<b>Total liabilities and net assets</b>	<u>\$ 193,581.87</u>

See auditor's report

**LOUISIANA VETERANS MEMORIAL FOUNDATION**  
**OTHER SUPPLEMENTARY INFORMATION**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2005**

**Unrestricted net assets:**

Support:	
Memberships	\$ 39,069.00
Interest earned	<u>3,999.00</u>
Total unrestricted support	43,068.00
Net assets released from restrictions:	
Restrictions satisfied by payments	<u>55,807.00</u>
Total unrestricted support and reclassifications	98,875.00
<b>Expenses:</b>	
Program services:	
Activities	79,462.00
Communications	10,717.50
Supporting services:	
Management and general	6,264.00
Fund-raising	<u>31,534.00</u>
Total expenses	<u>127,977.50</u>
Increase (Decrease) in unrestricted net assets	(29,102.50)

**Temporarily restricted net assets:**

Support from the 4th of July celebration	55,807.00
Net assets released from restrictions	<u>(55,807.00)</u>
Increase (decrease) in temporarily restricted net assets	-

**Permanently restricted net assets:**

Investment earnings, net of charges	<u>19.00</u>
Increase (decrease) in permanently restricted net assets	<u>19.00</u>
Change in net assets	(29,083.50)
Net assets - beginning of the year	<u>222,665.37</u>
Net assets - end of the year	<u>\$ 193,581.87</u>

See auditor's report

LOUISIANA VETERANS MEMORIAL FOUNDATION  
OTHER SUPPLEMENTARY INFORMATION  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2006

	Activities	Communications	Management & General	Fund-raising	Total
Fourth of July	\$ -	\$ -	\$ -	\$ 31,534.00	\$ 31,534.00
Printing		10,717.50			10,717.50
Audit and accounting			3,540.00		3,540.00
Office			2,724.00		2,724.00
Museum/Ship	79,462.00				79,462.00
Total expenses	\$ 79,462.00	\$ 10,717.50	\$ 6,264.00	\$ 31,534.00	\$ 127,977.50

See auditor's report

**LOUISIANA VETERANS MEMORIAL FOUNDATION  
OTHER SUPPLEMENTARY INFORMATION  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED DECEMBER 31, 2005**

**CASH FLOWS FROM OPERATING ACTIVITIES:**

Cash received from customers	\$ 39,069.00
Cash received from fund-raising	55,807.00
Cash received for interest, net	4,018.00
Cash paid for memorial	(79,462.00)
Cash paid to suppliers for goods and services	<u>(48,515.50)</u>
Net cash provided (used) for operating activities	(29,083.50)

**CASH FLOWS FROM INVESTING ACTIVITIES:**

Cash paid for investment in certificate of deposit	<u>-</u>
Net cash provided (used) for investing activities	<u>-</u>
Net increase (decrease) in cash and cash equivalents	(29,083.50)
Cash and cash equivalents - beginning of the year	<u>56,559.37</u>
Cash and cash equivalents - end of the year	<u>\$ 27,475.87</u>

**RECONCILIATION OF CHANGE IN NET ASSETS TO NET CASH  
USED FOR OPERATING ACTIVITIES:**

Change in net assets	\$ (29,083.50)
Adjustments to reconcile operating loss to net cash provided (used) for operating activities:	
Increase (decrease) in liabilities:	<u>-</u>
Net cash provided (used) for operating activities	<u>\$ (29,083.50)</u>

See auditor's report.

**Hienz  
Macaluso LLC**  
Certified Public Accountants

ROBERT W. HIENZ, C.P.A.  
ANTHONY J. MACALUSO, JR., C.P.A.

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June 24, 2006

Mr. Maury Drummond, Director  
and the Board of Commissioners/Trustees  
Louisiana Naval War Memorial Commission and  
Louisiana Veterans' Memorial Foundation  
305 South River Road  
Baton Rouge, LA 70802

We have audited the financial statements of the governmental activities, the business-type activities and each major fund of the Louisiana Naval War Memorial Commission and Louisiana Veterans Memorial Foundation as of and for the year ended December 31, 2005, which collectively comprise their basic financial statements and have issued our reports thereon dated June 24, 2006. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

As part of our examination, we have issued our report on the financial statements, dated June 24, 2006 and on internal control over financial reporting and compliance with laws, regulations, contracts and other matters dated June 24, 2006.

During the course of our examination, we became aware of the following matters which represent immaterial deviations of compliance or suggestions for improved internal controls.

**2005-1 Uninsured cash deposits (repeat comment from 2004 and 2003):**

Cash deposits from the Foundation and Commission were uninsured as of December 31, 2005 in the amount of \$ 24,955.87 and \$ 4,738.35, respectively.

An effective internal control system should be in place that monitors cash (bank) balances at financial institutions and safeguards the assets of the organization.

We recommend that procedures be established to periodically review bank balances. Should cash deposits be uninsured, a plan should be included in this procedure to move uninsured funds to another financial institution. The balances at any one financial institution should not exceed the federally insured deposit limits (\$ 100,000) where collateral is not secured in accordance with Louisiana State laws.



We recommend management address the foregoing issue as an improvement to operation and administration of public programs. We are available to further explain the suggestions or help implement the recommendation.

Sincerely,

*Hienz & Macaluso, LLC*

**HIENZ & MACALUSO, L.L.C.**

Metairie, LA

June 24, 2006

**REPORTING PACKET – DIVISION OF ADMINISTRATION, OFFICE OF  
STATEWIDE REPORTING AND ACCOUNTING POLICY**

**ANNUAL FINANCIAL REPORT**

*As a component unit of the State of Louisiana, the financial statements of the Louisiana Naval War Memorial Commission are included in Louisiana's Comprehensive Annual Financial Report. Following are the statements being submitted to the Division of Administration. For purposes of these statements, the Commission and the Foundation will be reported as one entity.*

LA Naval War Memorial Commission

STATE OF LOUISIANA  
Annual Financial Statements  
December 31, 2005

C O N T E N T S

TRANSMITTAL LETTER  
AFFIDAVIT

Statements

MD & A

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Schedule Number

STATE OF LOUISIANA  
Annual Financial Statements  
Fiscal Year Ending December 31, 2005

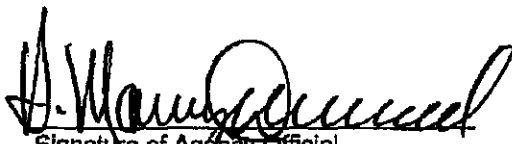
Louisiana Naval War Memorial Commission


Division of Administration  
Office of Statewide Reporting  
and Accounting Policy  
P. O. Box 94095  
Baton Rouge, Louisiana 70804-9095

Legislative Auditor  
P. O. Box 94397  
Baton Rouge, Louisiana 70804-9397

AFFIDAVIT

Personally came and appeared before the undersigned authority, Maury Drummond, Executive Director of the LA Naval War Memorial Commission, who duly sworn, deposes and says, that the financial statements herewith given present fairly the financial position of LA Naval War Memorial Commission at December 31, 2005 and the results of operations for the year then ended in accordance with policies and practices established by the Division of Administration or in accordance with Generally Accepted Accounting Principles as prescribed by the Governmental Accounting Standards Board. Sworn and subscribed before me, this 29th day of June, 2006.

  
Signature of Agency Official  
H. Maury Drummond

  
NOTARY PUBLIC Sharon C. Ragusa #039606  
State of Louisiana  
East Baton Rouge Parish  
Lifetime Commission

Prepared by: H. Maury Drummond

Title: Director

Telephone No.: 225-342-1942

Date: 6/29/06

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

The management's discussion and analysis of the Louisiana Naval War Memorial Commission, Department of Culture, Recreation and Tourism of the State Louisiana (hereafter referred to as the Commission) presents a narrative overview and analysis of the commission's financial activities for the year ended December 31, 2005. This document focuses on the current year's activities, resulting changes and currently known facts. Please read this document in conjunction with the Commission's financial statements.

### **Highlights of the Commission as a whole**

- Operating revenues for the Commission increased by \$ 80,917.02 – a 42% increase over the prior year.
- Operating expenses for the Commission increased by \$ 11,300.54 – approximately 1 percent over the prior year.
- Non-operating revenues increased \$ 6,747.85 – approximately 4 percent over the prior year.
- The Commission continues to have no debt other than amounts due for unused leave time in the amount of \$ 26,832.54.
- Total net assets amounted to \$ 3,134,822.19 – a decrease of \$ 69,451.50 from the previous year or approximately 3 percent from the prior year.

### **Overview of the basic financial statements**

This discussion and analysis is intended to serve as an introduction to the Commission's financial statements, which is comprised of government wide-financial statements, fund financial statements and notes to the financial statements. There is also other supplementary information contained in this report provided for additional information. These statements include the Louisiana Veterans Memorial Foundation as a component unit. This fund is reported separately as a special revenue fund in the government-wide and fund financial statements. It is separately reported under standards for *non-profit organizations* in the supplementary information section.

### Government-wide financial statements

The government-wide financial statements present financial information for all activities of the Commission from an economic resources measurement focus using the accrual basis of accounting. They present governmental activities, such as general government, separately from business-type activities. Government-wide financial statements for governmental activities include the Statement of Net Assets and the Statement of Activities. They provide information about the activities of the Commission as a whole and present a longer-term view of the Commission's finances.

#### Statement of Net Assets.

This statement presents information on all of the Commission's assets and liabilities with the differences between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Commission is improving or not.

#### Statement of Activities.

This statement presents information showing how the Commission's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. This statement is designed to show the Commission's financial reliance on general revenues.

Both government-wide financial statements distinguish functions of the Commission that are principally supported by taxes and intergovernmental revenues (government activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the Commission include activities related to its Foundation.

### Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Commission uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The Commission has two categories of funds: governmental and proprietary funds.

#### Governmental funds.

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements except that the focus with fund statements is to provide a distinct view of the Commission's governmental funds only. These statements report short-term fiscal accountability emphasizing the use of

spendable resources during the year and balances of spendable resources available at the end of the year.

Because the view of governmental funds is short-term and the view of the government-wide financial statements is long-term, it is useful to compare these two perspectives. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provides reconciliation to the government-wide statements to assist in understanding the differences between the two viewpoints.

Budgetary comparison schedules are included for governmental funds under required supplementary information part II. These schedules indicate the Commission's compliance with its adopted and final revised budgets.

#### Proprietary funds.

These fund types report services for which fees are charged. The Commission has one proprietary fund classified as an enterprise fund. Enterprise funds encompass the same functions reported as business-type activities in the government-wide statements. For the Commission, this includes the operation of the museum, ship and gift shop.

Proprietary fund statements provide both long-term and short-term financial information consistent with the focus provided by the government-wide financial statements but with more detail.

#### Notes to the Financial Statements.

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

#### Other information.

In addition to the general-purpose financial statements and accompanying notes, this report also presents certain required supplementary information and other supplementary information including financial statements of the Louisiana Naval War Memorial Foundation.

#### Financial Analysis of the Commission

The following page presents condensed financial information on the operations of the Commission, with the Foundation broken out separately and total columns for the Commission as a whole (with prior year amounts for comparison):

LOUISIANA NAVAL WAR MEMORIAL COMMISSION  
DEPARTMENT OF CULTURE, RECREATION AND TOURISM  
STATE OF LOUISIANA  
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)  
DECEMBER 31, 2005

**SUMMARY OF NET ASSETS**

	Governmental Activities			Business-type Activities			Totals	
	2005	2004	Change	2005	2004	Change	2005	2004
<b>Assets:</b>								
Current and other assets	124,945.12	154,042.49	(29,097.37)	122,624.93	70,838.47	51,786.46	247,570.05	224,880.96
Restricted assets	68,836.75	68,622.88	13.87	3,750.08	46.29	3,703.79	72,386.83	68,669.17
Capital assets, net	-	-	-	2,851,526.86	2,961,931.34	(110,404.48)	2,851,526.86	2,961,931.34
<b>Total Assets</b>	<b>193,581.87</b>	<b>222,665.37</b>	<b>(29,083.50)</b>	<b>2,977,901.87</b>	<b>3,032,816.10</b>	<b>(54,914.23)</b>	<b>3,171,483.74</b>	<b>3,255,481.47</b>
<b>Liabilities:</b>								
Current liabilities	-	-	-	9,829.01	26,775.65	(16,946.64)	9,829.01	26,775.65
Long-term liabilities	-	-	-	26,832.54	24,432.13	2,400.41	26,832.54	24,432.13
<b>Total Liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>36,661.55</b>	<b>51,207.78</b>	<b>(14,546.23)</b>	<b>36,661.55</b>	<b>51,207.78</b>
<b>Net Assets:</b>								
Invested in capital assets, net of related debt	-	-	-	2,851,526.86	2,961,931.34	(110,404.48)	2,851,526.86	2,961,931.34
Restricted	68,836.75	68,622.88	13.87	3,750.08	46.29	3,703.79	72,386.83	68,669.17
Unrestricted	124,945.12	154,042.49	(29,097.37)	86,963.38	19,630.69	66,332.69	210,908.50	173,873.18
<b>Total Net Assets</b>	<b>193,581.87</b>	<b>222,665.37</b>	<b>(29,083.50)</b>	<b>2,941,240.32</b>	<b>2,981,608.32</b>	<b>(40,368.00)</b>	<b>3,134,822.19</b>	<b>3,204,273.69</b>

**SUMMARY OF CHANGES IN NET ASSETS**

<b>Revenues:</b>								
Charges for services	39,069.00	34,314.00	4,755.00	538,678.78	465,232.60	73,446.18	577,747.78	499,546.60
Operating grants/contributions	55,807.00	47,167.00	8,640.00	172,011.24	158,454.79	13,556.45	227,818.24	205,621.79
Capital grants/contributions	-	-	-	-	-	-	-	-
Investment & interest earnings	4,108.00	7,617.00	(3,509.00)	74.79	17.00	57.79	4,182.79	7,634.00
<b>Total Revenues</b>	<b>98,984.00</b>	<b>89,098.00</b>	<b>9,886.00</b>	<b>710,764.81</b>	<b>623,704.39</b>	<b>87,060.42</b>	<b>809,748.81</b>	<b>712,802.39</b>
<b>Expenses:</b>								
General government	16,981.50	15,831.81	1,149.69	-	-	-	16,981.50	15,831.81
Endowment	90.00	598.14	(508.14)	-	-	-	90.00	598.14
Culture/recreation	31,534.00	33,791.29	(2,257.29)	-	-	-	31,534.00	33,791.29
Gift shop	-	-	-	173,543.21	176,794.21	(3,251.00)	173,543.21	176,794.21
Camping/reunions	-	-	-	91,650.17	89,649.29	2,000.88	91,650.17	89,649.29
Ship/nautical center	-	-	-	565,401.43	552,850.77	12,550.66	565,401.43	552,850.77
<b>Total Expenses</b>	<b>48,605.50</b>	<b>50,221.24</b>	<b>(1,615.74)</b>	<b>830,584.81</b>	<b>819,294.27</b>	<b>11,300.54</b>	<b>879,200.31</b>	<b>869,515.51</b>
Changes in net assets	50,378.50	38,876.76	11,501.74	(119,830.00)	(195,589.88)	75,759.88	(69,451.50)	(156,713.12)
Transfers	(79,462.00)	(87,470.00)	8,008.00	79,462.00	87,470.00	(8,008.00)	-	-
Net assets - beginning	222,665.37	271,258.61	(48,593.24)	2,981,608.32	3,089,728.20	(108,119.88)	3,204,273.69	3,360,986.81
Net assets - ending	193,581.87	222,665.37	(29,083.50)	2,941,240.32	2,981,608.32	(40,368.00)	3,134,822.19	3,204,273.69



The Commission reported positive balances in net assets for both governmental and business-type activities. Governmental activities reported a decrease in net assets for 2005 in the amount of \$ 29,084 due primarily to transfers to the business-type activities. Business-type activities reported a decrease in net assets in the amount of \$ 40,368 primarily due to depreciation expense recorded for the year ended December 31, 2005 in the amount of \$ 110,404. The Commission as a whole reported a decrease in net assets for the year ended December 31, 2005 in the amount of 69,452. The Commission's total revenue increased from 2004 by \$ 96,946 with expenditures increasing \$ 9,684, as well.

#### Analysis of Budgeted Amounts

The special revenue fund realized \$ 61,284 more in revenues than anticipated in 2005, however expenditures exceeded budgeted amounts by \$ 39,616. These differences in budget to actual amounts are due to the fact that revenues and expenses for endowment and special events are not budgeted by the Commission. The net variance in projected net loss for the foundation was \$ 1,294.

#### Capital Assets and Long Term Debt Administration

##### Capital Assets

As of December 31, 2005 the Commission had \$ 2,851,527 (net of depreciation) invested in a broad range of capital assets including land, the museum, furniture, equipment and the U.S.S. Kidd (destroyer). During the current year the Commission did not record any new capital acquisitions. All assets were properly recorded with the State of Louisiana and a detailed list is maintained.

##### Long Term Debt

The Commission currently has no long-term debt with the exception of compensated absences in the amount of \$ 26,833.

#### Economic Factors and Next Year's Budgets

For 2006, we expect increased visitation due to increased booking at the Baton Rouge River Center across the street. The HMS BOUNTY will return in the spring for a port visit and the Chief Petty Officers Association will hold its annual conference in Baton Rouge in October 2006.

#### Contacting the Commission's Financial Management

This financial report is designed to provide a general overview of the Commission's finances, comply with finance related laws and regulations and demonstrate the Commission's commitment to public accountability. If you have any questions regarding this report, contact the Mr. Maury Drummond at 305 South River Road, Baton Rouge, Louisiana 70808 (225-342-1942).

**STATE OF LOUISIANA  
LA NAVAL WAR MEMORIAL COMMISSION (BTA)  
BALANCE SHEET  
AS OF DECEMBER 31, 2005**

<b>ASSETS</b>	
<b>CURRENT ASSETS:</b>	
Cash and cash equivalents (Note C1)	\$ 110,528
Investments (Note C2)	100,000
Receivables (net of allowance for doubtful accounts)(Note U)	5,005
Due from other funds (Note Y)	
Due from federal government	
Inventories	20,004
Prepayments	12,035
Notes receivable	
Other current assets	
Total current assets	247,570
<b>NONCURRENT ASSETS:</b>	
Restricted assets (Note F):	
Cash	6,281
Investments	68,106
Receivables	
Notes receivable	
Capital assets (net of depreciation)(Note D)	
Land	268,500
Buildings and improvements	2,567,358
Machinery and equipment	15,669
Infrastructure	
Construction in progress	
Other noncurrent assets	
Total noncurrent assets	2,923,914
Total assets	\$ 3,171,484
<b>LIABILITIES</b>	
<b>CURRENT LIABILITIES:</b>	
Accounts payable and accruals (Note V)	\$ 9,829
Due to other funds (Note Y)	
Due to federal government	
Deferred revenues	
Amounts held in custody for others	
Other current liabilities	
Current portion of long-term liabilities:	
Contracts payable	
Reimbursement contracts payable	
Compensated absences payable (Note K)	
Capital lease obligations - (Note J)	
Notes payable	
Liabilities payable from restricted assets (Note Z)	
Bonds payable	
Other long-term liabilities	
Total current liabilities	9,829
<b>NON-CURRENT LIABILITIES:</b>	
Contracts payable	
Reimbursement contracts payable	
Compensated absences payable (Note K)	26,833
Capital lease obligations (Note J)	
Notes payable	
Liabilities payable from restricted assets (Note Z)	
Bonds payable	
Other long-term liabilities	
Total long-term liabilities	26,833
Total liabilities	36,662
<b>NET ASSETS</b>	
Invested in capital assets, net of related debt	
Restricted for:	
Capital projects	2,851,527
Debt service	
Unemployment compensation	
Other specific purposes	72,387
Unrestricted	210,908
Total net assets	3,134,822
Total liabilities and net assets	\$ 3,171,484

The accompanying notes are an integral part of this financial statement.  
Statement A

**STATE OF LOUISIANA  
LOUISIANA NAVAL WAR MEMORIAL COMMISSION (BTA)  
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS  
FOR THE YEAR ENDED DECEMBER 31, 2005**

<b>OPERATING REVENUES</b>	
Sales of commodities and services	\$ 162,667
Assessments	
Use of money and property	
Licenses, permits, and fees	
Other	472,875
Total operating revenues	635,542
<b>OPERATING EXPENSES</b>	
Cost of sales and services	173,543
Administrative	595,164
Depreciation	110,404
Amortization	
Total operating expenses	879,111
Operating income(loss)	(243,569)
<b>NON-OPERATING REVENUES(EXPENSES)</b>	
State appropriations	
Intergovernmental revenues (expenses)	
Taxes	
Use of money and property	4,093
Gain (loss) on disposal of fixed assets	
Federal grants	
Interest expense	
Other	170,024
Total non-operating revenues(expenses)	174,117
Income(loss) before contributions and transfers	(69,452)
Capital contributions	
Transfers in	
Transfers out	
Change in net assets	(69,452)
Total net assets -- beginning as restated	3,204,274
Total net assets -- ending	\$ 3,134,822

The accompanying notes are an integral part of this financial statement.

Statement B

**STATE OF LOUISIANA  
LOUISIANA NAVAL WAR MEMORIAL COMMISSION (BTA)  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2005**

	Program Revenues			Net (Expense)
		Operating	Capital	Revenue and
	Charges for	Grants and	Grants and	Changes in
Expenses	Services	Contributions	Contributions	Net Assets
USS KIDD	\$ 879,111	\$ 633,555	\$ 172,011	\$ (73,545)
General revenues:				
Taxes				
State appropriations				
Grants and contributions not restricted to specific programs				
Interest				4,093
Miscellaneous				
Special items				
Transfers				
Total general revenues, special items, and transfers				4,093
Change in net assets				(69,452)
Net assets - beginning				3,204,274
Net assets - ending				\$ 3,134,822

**STATE OF LOUISIANA  
LOUISIANA NAVAL WAR MEMORIAL COMMISSION (BTA)  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED DECEMBER 31, 2005**

**Cash flows from operating activities**

Cash received from customers	\$ 572,262	
Cash payments to suppliers for goods and services	(363,967)	
Cash payments to employees for services	(412,926)	
Payments in lieu of taxes		
Internal activity-payments to other funds		
Claims paid to outsiders		
Other operating revenues(expenses)	55,807	
Net cash provided(used) by operating activities		\$ (148,824)

**Cash flows from non-capital financing activities**

State appropriations		
Proceeds from sale of bonds		
Principal paid on bonds		
Interest paid on bond maturities		
Proceeds from issuance of notes payable		
Principal paid on notes payable		
Interest paid on notes payable		
Operating grants received	156,186	
Other	13,840	
Transfers In		
Transfers Out		
Net cash provided(used) by non-capital financing activities		170,026

**Cash flows from capital and related financing activities**

Proceeds from sale of bonds		
Principal paid on bonds		
Interest paid on bond maturities		
Proceeds from issuance of notes payable		
Principal paid on notes payable		
Interest paid on notes payable		
Acquisition/construction of capital assets		
Proceeds from sale of capital assets		
Capital contributions		
Other		
Net cash provided(used) by capital and related financing activities		-

**Cash flows from investing activities**

Purchases of investment securities		
Proceeds from sale of investment securities		
Interest and dividends earned on investment securities	4,093	
Net cash provided(used) by investing activities		4,093

Net increase(decrease) in cash and cash equivalents 25,295

Cash and cash equivalents at beginning of year 91,512  
Cash and cash equivalents at end of year \$ 116,807

The accompanying notes are an integral part of this statement.

Statement D

**STATE OF LOUISIANA  
LOUISIANA NAVAL WAR MEMORIAL COMMISSION (BTA)  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED DECEMBER 31, 2005**

**Reconciliation of operating income(loss) to net cash provided(used) by operating activities:**

Operating income(loss)		\$	<u>(243,569)</u>
Adjustments to reconcile operating income(loss) to net cash			
Depreciation/amortization	110,404		
Provision for uncollectible accounts			
Changes in assets and liabilities:			
(Increase)decrease in accounts receivable, net	(1,922)		
(Increase)decrease in due from other funds			
(Increase)decrease in prepayments			
(Increase)decrease in inventories	810		
(Increase)decrease in other assets			
Increase(decrease) in accounts payable and accruals	(11,397)		
Increase(decrease) in accrued payroll and related benefits			
Increase(decrease) in compensated absences payable	2,400		
Increase(decrease) in due to other funds			
Increase(decrease) in deferred revenues	(5,550)		
Increase(decrease) in other liabilities			
Net cash provided(used) by operating activities		\$	<u>(148,824)</u>

**Schedule of noncash investing, capital, and financing activities:**

Borrowing under capital lease	\$	
Contributions of fixed assets		
Purchases of equipment on account		
Asset trade-ins		
Other (specify)		
<b>Total noncash investing, capital, and financing activities:</b>	\$	<u>-</u>

(Concluded)

The accompanying notes are an integral part of this statement.

Statement D

**STATE OF LOUISIANA  
LOUISIANA NAVAL WAR MEMORIAL COMMISSION (BTA)  
Notes to the Financial Statement  
As of and for the year ended December 31, 2005**

**INTRODUCTION**

The Louisiana Naval War Memorial Commission (the Commission) (BTA) was created by the Louisiana State Legislature under the provisions of Louisiana Revised Statute 25:1000:1003. The following is a brief description of the operations of the Commission (BTA) which includes the parish/parishes in which the Commission (BTA) is located:

The Commission is composed of 17 members, one of whom is the Secretary of the Department of Culture, Recreation and Tourism or his designee, the Director of Veterans Affairs and 15 members appointed by the Governor. The commissioners are not paid for their service.

The Commission was given the authority to acquire, transport, berth, renovate, equip, operate, maintain and exhibit the destroyer U.S.S. Kidd and other property acquired for use as a permanent public naval and marine corps memorial and any improvements and exhibits located thereon and any additions constructed, created, leased, acquired or erected in connection herewith. The U.S.S. Kidd and museum are located in Baton Rouge, Louisiana. The Commission's primary revenues include admission fees, gift shop sales and grants.

**A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**1. BASIS OF ACCOUNTING**

In April of 1984, the Financial Accounting Foundation established the Governmental Accounting Standards Board (GASB) to promulgate generally accepted accounting principles and reporting standards with respect to activities and transactions of state and local governmental entities. The GASB has issued a Codification of Governmental Accounting and Financial Reporting Standards (GASB Codification). This codification and subsequent GASB pronouncements are recognized as generally accepted accounting principles for state and local governments. The accompanying financial statements have been prepared in accordance with such principles.

The accompanying financial statements of the Commission present information only as to the transactions of the programs of the Commission as authorized by Louisiana statutes and administrative regulations.

Basis of accounting refers to when revenues and expenses are recognized and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The accounts of the Commission are maintained in accordance with applicable statutory provisions and the regulations of the Division of Administration – Office of Statewide Reporting and Accounting Policy as follows:

**Revenue Recognition**

Revenues are recognized using the full accrual basis of accounting; therefore, revenues are recognized in the accounting period in which they are earned and become measurable.

**Expense Recognition**

Expenses are recognized on the accrual basis; therefore, expenses, including salaries, are recognized in the period incurred, if measurable.

**B. BUDGETARY ACCOUNTING - NOT APPLICABLE**

The appropriations made for the operations of the various programs of the \_\_\_\_\_ (BTA) are annual lapsing appropriations.

**STATE OF LOUISIANA**  
**LOUISIANA NAVAL WAR MEMORIAL COMMISSION (BTA)**  
**Notes to the Financial Statement**  
**As of and for the year ended December 31, 2005**

1. The budgetary process is an annual appropriation valid for one year.
2. The agency is prohibited by statute from over expending the categories established in the budget.
3. Budget revisions are granted by the Joint Legislative Budget Committee, a committee of the Louisiana Legislature. Interim emergency appropriations may be granted by the Interim Emergency Board.
4. The budgetary information included in the financial statements include the original appropriation plus subsequent amendments as follows:

	<u>APPROPRIATIONS</u>
Original approved budget	\$ _____
Amendments:	_____
	_____
	_____
Final approved budget	\$ _____

**C. DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS** (If all agency cash and investments are deposited in the State Treasury, disregard Note C.)

**1. DEPOSITS WITH FINANCIAL INSTITUTIONS**

For reporting purposes, deposits with financial institutions include savings, demand deposits, time deposits, and certificates of deposit. Under state law the Commission (BTA) may deposit funds within a fiscal agent bank selected and designated by the Interim Emergency Board. Further, the (BTA) may invest in time certificates of deposit in any bank domiciled or having a branch office in the state of Louisiana; savings accounts or shares of savings and loan associations and savings banks, and in share accounts and share certificate accounts of federally or state chartered credit unions.

For the purpose of the Statement of Cash Flows, all highly liquid investments (including restricted assets with a maturity of three months or less when purchased) are considered to be cash equivalents.

Deposits in bank accounts are stated at cost, which approximates market. Under state law these deposits must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These pledged securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank in the form of safekeeping receipts held by the State Treasurer.

Following GASB Statement 3, deposits were classified into three categories of custodial credit risk depending on whether they were insured or collateralized, and who held the collateral and how it was held. Category 1 – Deposits that are covered by insurance (FDIC) or collateralized with securities that are held by the entity in the entity's name or registered in the entity's name. (separate disclosure no longer required)

Category 2 – Deposits that are not insured but are collateralized with securities that are held by the financial institution's trust department or agent and are in the entity's name. (separate disclosure no longer required)



**STATE OF LOUISIANA**  
**LOUISIANA NAVAL WAR MEMORIAL COMMISSION (BTA)**  
**Notes to the Financial Statement**  
**As of and for the year ended December 31, 2005**

**Category 3** – Deposits that are not covered by insurance and also are not collateralized. Not collateralized includes when the securities (collateral) are held by the financial institution's trust department or agent and they are not in the entity's name. (separate disclosure still required)

**GASB Statement 40 amended GASB Statement 3 to eliminate the requirement to disclose all deposits by the 3 categories of risk listed above. GASB Statement 40 requires only the disclosure of deposits that are considered to be exposed to custodial credit risk. An entity's deposits are exposed to custodial credit risk if the deposit balances are either 1) uninsured and uncollateralized, 2) uninsured and collateralized with securities held by the pledging financial institution, or 3) uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the entity's name.**

The deposits at December 31, 2005, consisted of the following:

	<u>Cash</u>	<u>Certificates of Deposit</u>	<u>Other (Describe)</u>	<u>Total</u>
Deposits in Bank Accounts Per Balance Sheet	\$ <u>114,107</u>	\$ <u>          </u>	\$ <u>          </u>	\$ <u>114,107</u>
Bank Balances of Deposits Exposed to Custodial Credit Risk:				
a. Uninsured and uncollateralized	<u>29,694</u>	<u>          </u>	<u>          </u>	<u>29,694</u>
b. Uninsured and collateralized with securities held by the pledging institution	<u>          </u>	<u>          </u>	<u>          </u>	<u>-</u>
c. Uninsured and collateralized with securities held by the pledging institution's trust department or agent, but not in the entity's name	<u>          </u>	<u>          </u>	<u>          </u>	<u>-</u>
Total Bank Balances - All Deposits	\$ <u>132,214</u>	\$ <u>          </u>	\$ <u>          </u>	\$ <u>132,214</u>

NOTE: The "Total Bank Balances – All Deposits" will not necessarily equal the "Deposits in Bank Account per Balance Sheet".

The following is a breakdown by banking institution, program, account number, and amount of the balances shown above:

<u>Banking institution</u>	<u>Program</u>	<u>Amount</u>
1. <u>Regions Bank</u>	<u>General government</u>	\$ <u>24,956</u>
2. <u>Regions Bank</u>	<u>General government</u>	<u>104,738</u>
3. <u>Hancock Bank</u>	<u>Endowment</u>	<u>2,520</u>
4. <u>                    </u>	<u>                    </u>	<u>          </u>
Total		\$ <u>132,214</u>

Cash in State Treasury and petty cash are not required to be reported in the note disclosure. However, to aid in reconciling amounts reported on the Balance Sheet to amounts reported in this note, list below any cash in treasury and petty cash that are included on the Balance Sheet.

Cash in State Treasury	\$ <u>          </u>
Petty cash	\$ <u>2,700</u>

**STATE OF LOUISIANA**  
**LOUISIANA NAVAL WAR MEMORIAL COMMISSION (BTA)**  
**Notes to the Financial Statement**  
**As of and for the year ended December 31, 2005**

**2. INVESTMENTS**

The Commission (BTA) does (does not) maintain investment accounts as authorized by state law (Note legal provisions authorizing investments by (BTA)).

**Custodial Credit Risk**

Investments can be exposed to custodial credit risk if the securities underlying the investment are uninsured and unregistered, not registered in the name of the entity, and are held either by the counterparty, or the counterparty's trust department or agent but not in the entity's name.

**GASB Statement 40 amended GASB Statement 3 to eliminate the requirement to disclose all investments by the 3 categories of risk. GASB Statement 40 requires only the separate disclosure of investments that are considered to be exposed to custodial credit risk. In addition, the total reported amount and fair value columns still must be reported for total investments regardless of exposure to custodial credit risk. Those investments exposed to custodial credit risk are reported by type in one of two separate columns depending upon whether they are held by a counterparty, or held by a counterparty's trust department or agent not in the entity's name.**

<u>Type of Investment</u>	<u>Investments Exposed to Custodial Credit Risk</u>		<u>All Investments Regardless of Custodial Credit Risk Exposure</u>	
	<u>Uninsured, *Unregistered, and Held by Counterparty</u>	<u>Uninsured, *Unregistered, and Held by Counterparty's Trust Dept. or Agent Not in Entity's Name</u>	<u>Reported Amount</u>	<u>Fair Value</u>
Repurchase agreements	\$ _____	\$ _____	\$ _____	\$ _____
U.S. Government securities	_____	_____	_____	_____
U.S. Agency Obligations	_____	_____	_____	_____
Common & preferred stock	_____	_____	_____	_____
Commercial paper	_____	_____	_____	_____
Corporate bonds	_____	_____	_____	_____
Other: (Identify)	_____	_____	_____	_____
Regions Bank - certificate of deposit	_____	_____	100,000	100,000
Hancock Bank - certificate of deposit	_____	_____	66,106	66,106
	_____	_____	_____	_____
	_____	_____	_____	_____
	_____	_____	_____	_____
	_____	_____	_____	_____
	_____	_____	_____	_____
Total Investments	\$ _____ - \$ _____	\$ _____ - \$ _____	\$ 166,106	\$ 166,106

\*unregistered - not registered in the name of the government or entity

**3. Derivatives - NOT APPLICABLE**

The institution does/does not (circle one) invest in **derivatives** as part of its investment policy. Accordingly, the exposure to risks from these investments is as follows:

credit risk \_\_\_\_\_  
market risk \_\_\_\_\_  
legal risk \_\_\_\_\_

**STATE OF LOUISIANA**  
**LOUISIANA NAVAL WAR MEMORIAL COMMISSION (BTA)**  
**Notes to the Financial Statement**  
**As of and for the year ended December 31, 2005**

**4. Credit Risk, Concentration of Credit Risk, Interest Rate Risk, and Foreign Currency Risk Disclosures**

**A. Credit Risk of Debt Investments NOT APPLICABLE**

Disclose the credit risk of debt investments by credit quality ratings as described by rating agencies as of the fiscal year end. All debt investments regardless of type can be aggregated by credit quality rating (if any are un-rated, disclose that amount).

<u>Rating</u>	<u>Fair Value</u>
_____	\$ _____
_____	_____
_____	_____
_____	_____
Total	\$ _____

**B. Interest rate Risk NOT APPLICABLE**

**1. Disclose the interest rate risk of debt investments by listing the investment type, total fair value, and breakdown of maturity in years for each debt investment type.**

<u>Type of Debt Investment</u>	<u>Fair Value</u>	<u>Investment Maturities (In Years)</u>			
		<u>Less Than 1</u>	<u>1 - 5</u>	<u>6 - 10</u>	<u>Greater Than 10</u>
U.S. Government obligations	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
U.S. Agency obligations	_____	_____	_____	_____	_____
U.S. Treasury obligations	_____	_____	_____	_____	_____
Mortgage backed securities	_____	_____	_____	_____	_____
Collateralized mortgage obligations	_____	_____	_____	_____	_____
Corporate bonds	_____	_____	_____	_____	_____
Other bonds	_____	_____	_____	_____	_____
Mutual funds	_____	_____	_____	_____	_____
Other	_____	_____	_____	_____	_____
Total debt investments	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____

**2. List the fair value and terms of any debt investments that are highly sensitive to changes in interest rates due to the terms of the investment (eg. coupon multipliers, reset dates, etc.):**

<u>Debt Investment</u>	<u>Fair Value</u>	<u>Terms</u>
_____	\$ _____	_____
_____	_____	_____
_____	_____	_____
Total	\$ _____	

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**C. Concentration of Credit Risk NOT APPLICABLE**

List, by amount and issuer investments in any one issuer that represents 5% or more of total investments (not including U.S. government securities, mutual funds, and investment pools).

<u>Issuer</u>	<u>Amount</u>	<u>% of Total Investments</u>
_____	\$ _____	_____
_____	_____	_____
_____	_____	_____
Total	\$ _____	_____

**D. Foreign Currency Risk NOT APPLICABLE**

Disclose the U.S. dollar balances of any deposits or investments that are exposed to foreign currency risk (deposits or investments denominated in foreign currencies). List by currency denomination and investment type, if applicable.

<u>Foreign Currency</u>	<u>Fair Value in U.S. Dollars</u>	
	<u>Bonds</u>	<u>Stocks</u>
_____	\$ _____	\$ _____
_____	_____	_____
_____	_____	_____
Total	\$ _____	\$ _____

**5. Policies NOT APPLICABLE**

Briefly describe the deposit and/or investment policies related to the custodial credit risk, credit risk of debt investments, concentration of credit risk, interest rate risk, and foreign currency risk disclosed in this note. If no policy exists concerning the risks disclosed, please state that fact.

\_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

**6. Other Disclosures Required for Investments**

- a. Investments in pools managed by other governments or mutual funds \_\_\_\_\_  
 \_\_\_\_\_
- b. Securities underlying reverse repurchase agreements \_\_\_\_\_  
 \_\_\_\_\_
- c. Unrealized investment losses \_\_\_\_\_  
 \_\_\_\_\_

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- d. Commitments as of \_\_\_\_\_ (fiscal close), to resell securities under yield maintenance repurchase agreements:
1. Carrying amount and market value at June 30 of securities to be resold \_\_\_\_\_
  2. Description of the terms of the agreement \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_
- e. Losses during the year due to default by counterparties to deposit or investment transactions \_\_\_\_\_
- f. Amounts recovered from prior-period losses which are not shown separately on the balance sheet \_\_\_\_\_

Legal or Contractual Provisions for Reverse Repurchase Agreements

- g. Source of legal or contractual authorization for use of reverse repurchase agreements \_\_\_\_\_
- h. Significant violations of legal or contractual provisions for reverse repurchase agreements that occurred during the year \_\_\_\_\_  
\_\_\_\_\_

Reverse Repurchase Agreements at Year-End

- i. Credit risk related to the reverse repurchase agreements (other than yield maintenance agreements) outstanding at balance sheet date, that is, the aggregate amount of reverse repurchase agreement obligations including accrued interest compared to aggregate market value of the securities underlying those agreements including interest \_\_\_\_\_  
\_\_\_\_\_
- j. Commitments on \_\_\_\_\_ (fiscal close), to repurchase securities under yield maintenance agreements \_\_\_\_\_
- k. Market value on \_\_\_\_\_ (fiscal close), of the securities to be repurchased \_\_\_\_\_
- l. Description of the terms of the agreements to repurchase \_\_\_\_\_  
\_\_\_\_\_
- m. Losses recognized during the year due to default by counterparties to reverse repurchase agreements \_\_\_\_\_  
\_\_\_\_\_
- n. Amounts recovered from prior-period losses which are not separately shown on the operating statement \_\_\_\_\_

Fair Value Disclosures

- o. Methods and significant assumptions used to estimate fair value of investments, if fair value is not based on quoted market prices \_\_\_\_\_  
\_\_\_\_\_
- p. Basis for determining which investments, if any, are reported at amortized cost \_\_\_\_\_  
\_\_\_\_\_

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- q. For investments in external investment pools that are not SEC-registered, a brief description of any regulatory oversight for the pool \_\_\_\_\_
- r. Whether the fair value of your investment in the external investment pool is the same as the value of the pool shares \_\_\_\_\_
- s. Any involuntary participation in an external investment pool \_\_\_\_\_
- t. If you are unable to obtain information from a pool sponsor to determine the fair value of your investment in the pool, methods used and significant assumptions made in determining that fair value and the reasons for having had to make such an estimate \_\_\_\_\_
- u. Any income from investments associated with one fund that is assigned to another fund \_\_\_\_\_

**D. CAPITAL ASSETS-INCLUDING CAPITAL LEASE ASSETS**

The fixed assets used in the Special Purpose Government Engaged only in Business-Type Activities are included on the balance sheet of the entity and are capitalized at cost. Depreciation of all exhaustible fixed assets used by the entity are charged as an expense against operations. Accumulated depreciation is reported on the balance sheet. Depreciation for financial reporting purposes is computed by the straight-line method over the useful lives of the assets.

Year ended December 31, 2005							
	Balance 01/01/05	Prior Period Adjustment	Adjusted Balance 6/30/2004	Additions	Transfers*	Retirements	Balance 12/31/05
<b>Capital assets not being depreciated</b>							
Land	\$ 268,500	\$	\$ 268,500	\$	\$	\$	\$ 268,500
Non-depreciable land improvements			--				--
Capitalized collections			--				--
Construction in progress			--				--
<b>Total capital assets not being depreciated</b>	<b>\$ 268,500</b>	<b>\$ --</b>	<b>\$ 268,500</b>	<b>\$ --</b>	<b>\$ --</b>	<b>\$ --</b>	<b>\$ 268,500</b>
<b>Other capital assets</b>							
Furniture, fixtures, and equipment	\$ 91,942	\$	\$ 91,942	\$	\$	\$	\$ 91,942
Less accumulated depreciation	(70,416)		(70,416)	(5,857)			(76,273)
Total furniture, fixtures, and equipment	21,526	--	21,526	(5,857)	--	--	15,669
Buildings and Improvements	4,711,420		4,711,420				4,711,420
Less accumulated depreciation	(2,039,515)		(2,039,515)	(104,547)			(2,144,062)
Total buildings and improvements	2,671,905	--	2,671,905	(104,547)	--	--	2,567,358
Depreciable land improvements			--				--
Less accumulated depreciation			--				--
Total depreciable land improvements	--	--	--	--	--	--	--
Infrastructure			--				--
Less accumulated depreciation			--				--
Total infrastructure	--	--	--	--	--	--	--
<b>Total other capital assets</b>	<b>\$ 2,693,431</b>	<b>\$ --</b>	<b>\$ 2,693,431</b>	<b>\$ (110,404)</b>	<b>\$ --</b>	<b>\$ --</b>	<b>\$ 2,583,027</b>
<b>Capital Asset Summary:</b>							
Capital assets not being depreciated	\$ 268,500	\$ --	\$ 268,500	\$ --	\$ --	\$ --	\$ 268,500
Other capital assets, at cost	4,803,362	--	4,803,362	--	--	--	4,803,362
Total cost of capital assets	5,071,862	--	5,071,862	--	--	--	5,071,862
Less accumulated depreciation	(2,109,931)	--	(2,109,931)	(110,404)	--	--	(2,220,335)
<b>Capital assets, net</b>	<b>\$ 2,961,931</b>	<b>\$ --</b>	<b>\$ 2,961,931</b>	<b>\$ (110,404)</b>	<b>\$ --</b>	<b>\$ --</b>	<b>\$ 2,851,527</b>

\* Should be used only for those completed projects coming out of construction-in-progress to fixed assets; not associated with transfers reported elsewhere in this packet.

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**E. INVENTORIES**

The unit's inventories are valued at cost (method of valuation). These are perpetual inventories and are expensed when used. **NOTE: Do not include postage. This must be shown as a prepayment.**

**F. RESTRICTED ASSETS**

Restricted assets in the Commission (BTA) at December 31, 2005 (fiscal year end), reflected at \$ 72,387 in the non-current assets section on Statement A, consist of \$ 6,281 in cash with fiscal agent and \$ 66,106 investment at Hancock Bank (Identify the type investments held.) State the purpose of the restriction: endowment created to support the memorial in future periods as needed.

**G. LEAVE**

**1. COMPENSATED ABSENCES**

The Commission (BTA) has the following policy on annual and sick leave: (Describe leave policy.)

An example disclosure follows:

Employees earn and accumulate annual and sick leave at various rates depending on their years of service. The amount of annual and sick leave that may be accumulated by each employee is unlimited. Upon termination, employees or their heirs are compensated for up to 300 hours of unused annual leave at the employee's hourly rate of pay at the time of termination. Upon retirement, unused annual leave in excess of 300 hours plus unused sick leave is used to compute retirement benefits. The amount payable as of December 31, 2005 is \$ 26,833.

The cost of leave privileges, computed in accordance with GASB Codification Section C60, is recognized as a current year expenditure in the fund when leave is actually taken; it is recognized in the enterprise funds when the leave is earned. The cost of leave privileges applicable to general government operations not requiring current resources is recorded in long-term obligations.

**2. COMPENSATORY LEAVE                      NOT APPLICABLE**

Employees who are considered having non-exempt status according to the guidelines contained in the Fair Labor Standards Act may be paid for compensatory leave earned (K-time). Upon termination or transfer, an employee will be paid for any time and one-half compensatory leave earned and may or may not be paid for any straight hour-for-hour compensatory leave earned. Compensation paid will be based on the employees' hourly rate of pay at termination or transfer. The liability for accrued payable compensatory leave at \_\_\_\_\_ (fiscal close) computed in accordance with the Codification of Governmental Accounting and Financial Reporting Standards, Section C60.105 is estimated to be \$ \_\_\_\_\_. The leave payable (is) (is not) recorded in the accompanying financial statements.

**H. RETIREMENT SYSTEM**

All employees of the Commission are members of the Federal Social Security System in which they contribute 7.65% of their gross salaries and the Commission matches their contribution. Contributions made by the Commission to the Federal Social Security System were \$ 24,507.47, \$ 23,183.11 and \$ 23,059.80 for the years ended December 31, 2005, 2004 and 2003 respectively.

Full time employees are also eligible to participate in the Louisiana Deferred Compensation Program adopted under the provisions of Internal Revenue Code Section 457. Through this plan, employees voluntarily contribute a percentage of their salary while the Commission matches it up to the first 5% of gross salaries. The benefit cost to the Commission was \$ 11,052.13, \$ 10,478.02 and \$ 9,839.09 for the years ended December 31, 2005, 2004 and 2003 respectively.

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**I. POST RETIREMENT HEALTH CARE AND LIFE INSURANCE BENEFITS NOT APPLICABLE**

GASB 12 requires the following disclosures about an employer's accounting for post retirement health care and life insurance benefits:

1. A description of the benefits provided and the employee group covered.
2. A description of the accounting and funding policies followed for those benefits.
3. The cost of those benefits recognized for the period, unless the costs are not readily determinable.\*\*
4. The effect of significant matters affecting the comparability of the costs recognized for all periods presented.

\*\*If the cost of any post retirement health care or life insurance benefits cannot readily be separated from the cost of providing such benefits for active employees or otherwise be reasonably approximated, the total cost of providing those benefits to active employees and retirees, as well as the number of active employees and the number of retirees covered by the plan must be disclosed.

Substantially all (BTA) employees become eligible for post employment health care, dental and life insurance benefits if they reach normal retirement age while working for the (BTA). These benefits for retirees and similar benefits for active employees are provided through an insurance company whose premiums are paid jointly by the employee and the (BTA). For 2004, the cost of providing those benefits for the \_\_\_\_\_ retirees totaled \$\_\_\_\_\_.

The \_\_\_\_\_ (BTA) provides certain continuing health care and life insurance benefits for its retired employees. Substantially all (BTA) employees become eligible for those benefits if they reach normal retirement age while working for the (BTA). Those benefits for retirees and similar benefits for active employees are provided through an insurance company whose monthly premiums are paid jointly by the employee and by the (BTA). The (BTA) recognizes the cost of providing these benefits ((BTA)'s portion of premiums) as an expenditure when paid during the year, which was \$\_\_\_\_\_ for the year ended \_\_\_\_\_, 20\_\_\_\_. The cost of providing those benefits for \_\_\_\_\_ retirees is not separable from the cost of providing benefits for the \_\_\_\_\_ active employees. (or, The (BTA)'s cost of providing retiree health care and life insurance benefits are recognized as expenditures when the monthly premiums are paid. For the year ended \_\_\_\_\_, 20\_\_\_\_ the costs of \_\_\_\_\_ retiree benefits totaled \$\_\_\_\_\_).

**J. LEASES NOT APPLICABLE**

**1. OPERATING LEASES**

The total payments for operating leases during fiscal year \_\_\_\_\_ amounted to \$\_\_\_\_\_. (Note: If lease payments extend past FY2020, please create additional columns and report these future minimum lease

payments in five year increments.) A schedule of payments for operating leases follows:

Nature of lease	FY2006	FY2007	FY2008	FY2009	FY20010	FY2011- 2015	FY2016- 2020
	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
Total	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____



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**2. CAPITAL LEASES**

Capital leases are (are not) recognized in the accompanying financial statements. The amounts to be accrued for capital leases and the disclosures required for capital and operating leases by National Council on Governmental Accounting (NCGA) Statement No. 5, as adopted by the Governmental Accounting Standards Board, and FASB 13 should be reported on the following schedules:

Capital leases are defined as an arrangement in which any one of the following conditions apply: (1) ownership transfers by the end of the lease, (2) the lease contains a bargain purchase option, (3) the lease term is 75% of the asset life or, (4) the discounted minimum lease payments are 90% of the fair market value of the asset.

**SCHEDULE A – TOTAL AGENCY CAPITAL LEASES EXCEPT LEAF**

<u>Nature of lease</u>	<u>Gross Amount of Leased Asset (Historical Costs)</u>	<u>Remaining Interest to end of lease</u>	<u>Remaining principal to end of lease</u>
a. Office space	\$ _____	\$ _____	\$ _____
b. Equipment	_____	_____	_____
c. Land	_____	_____	_____
Total	\$ _____ -	\$ _____ -	\$ _____ -

The following is a schedule by years of future minimum lease payments under capital leases together with the present value of the net minimum lease payments as of (last day of your fiscal year) and a breakdown of yearly principal and interest: (Note: If lease payments extend past FY2025, please create additional rows and report these future minimum lease payments in five year increments.)

<u>Year ending June 30:</u>	<u>Total</u>
2006	\$ _____
2007	_____
2008	_____
2009	_____
2010	_____
2011-2015	_____
2016-2020	_____
2021-2025	_____
Total minimum lease payments	_____ -
Less amounts representing executory costs	_____
Net minimum lease payments	_____ -
Less amounts representing interest	_____
Present value of net minimum lease payments	\$ _____ -

**SCHEDULE B – NEW AGENCY CAPITAL LEASES EXCEPT LEAF**

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<u>Nature of lease</u>	<u>Gross Amount of Leased Asset (Historical Costs)</u>	<u>Remaining interest to end of lease</u>	<u>Remaining principal to end of lease</u>
a. Office space	\$ _____	\$ _____	\$ _____
b. Equipment	_____	_____	_____
c. Land	_____	_____	_____
Total	\$ _____ -	\$ _____ -	\$ _____ -

The following is a schedule by years of future minimum lease payments under capital leases together with the present value of the net minimum lease payments as of (last day of your fiscal year) and a breakdown of yearly principal and interest: (Note: If lease payments extend past FY2025, please create additional rows and report these future minimum lease payments in five year increments.)

<u>Year ending June 30:</u>	<u>Total</u>
2006	\$ _____
2007	_____
2008	_____
2009	_____
2010	_____
2011-2015	_____
2016-2020	_____
2021-2025	_____
Total minimum lease payments	_____ -
Less amounts representing executory costs	_____
Net minimum lease payments	_____ -
Less amounts representing interest	_____
Present value of net minimum lease payments	\$ _____ -

**SCHEDULE C – LEAF CAPITAL LEASES**

<u>Nature of lease</u>	<u>Gross Amount of Leased Asset (Historical Costs)</u>	<u>Remaining interest to end of lease</u>	<u>Remaining principal to end of lease</u>
a. Office space	\$ _____	\$ _____	\$ _____
b. Equipment	_____	_____	_____
c. Land	_____	_____	_____
Total	\$ _____ -	\$ _____ -	\$ _____ -

The following is a schedule by years of future minimum lease payments under capital leases together with the present value of the net minimum lease payments as of (last day of your fiscal year) and a breakdown of yearly principal and interest: (Note: If lease payments extend past FY2025, please create additional rows and report these future minimum lease payments in five year increments.)

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Year ending June 30:	Total
2006	\$ _____
2007	_____
2008	_____
2009	_____
2010	_____
2011-2015	_____
2016-2020	_____
2021-2025	_____
Total minimum lease payments	_____
Less amounts representing executory costs	_____
Net minimum lease payments	_____
Less amounts representing interest	_____
Present value of net minimum lease payments	\$ _____

**3. LESSOR DIRECT FINANCING LEASES**

A lease is classified as a direct financing lease (1) when any one of the four capitalization criteria used to define a capital lease for the lessee is met and (2) when both the following criteria are satisfied:

- Collectibility of the minimum lease payments is reasonably predictable.
- No important uncertainties surround the amount of the unreimbursable costs yet to be incurred by the lessor under the lease.

Provide a general description of the direct financing agreement, and complete the chart below:

<u>Composition of lease</u>	<u>Date of lease</u>	<u>Minimum lease payment receivable</u>	<u>Remaining Interest to end of lease</u>	<u>Remaining Principal to end of lease</u>
a. Office space	\$ _____	\$ _____	\$ _____	\$ _____
b. Equipment	_____	_____	_____	_____
c. Land	_____	_____	_____	_____
Less amounts representing executory costs		_____		
Minimum lease payment receivable		_____		
Less allowance for doubtful accounts		_____		
Net minimum lease payments receivable		_____		
Less: Estimated Residual Value of Leased Property		_____		
Less unearned income		_____		
Net investment in direct financing lease		\$ _____		

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Minimum lease payments receivables do not include contingent rentals which may be received as stipulated in the lease contracts. Contingent rental payments occur if for example the use of the equipment, land, or building etc., exceeds a certain level of activity each year. Contingent rentals received for fiscal year 2005 were \$\_\_\_\_\_ for office space, \$\_\_\_\_\_ for equipment, and \$\_\_\_\_\_ for land.

The following is a schedule by year of minimum leases receivable for the remaining fiscal years of the lease as of \_\_\_\_\_ (the last day of your fiscal year): (Note: If lease receivables extend past FY2025, please create additional rows and report these future minimum lease payment receivables in five year increments.)

Year ending _____:	
2006	\$ _____
2007	_____
2008	_____
2009	_____
2010	_____
2011-2015	_____
2016-2020	_____
2021-2025	_____
Total	\$ _____

**4. LESSOR – OPERATING LEASE**

When a lease agreement does not satisfy at least one of the four criteria (common to both lessee and lessor accounting), and both of the criteria for a lessor (collectibility and no uncertain reimbursable costs), the lease is classified as an operating lease. In an operating lease, there is no simulated sale and the lessor simply records rent revenues as they become measurable and available.

Provide the cost and carrying amount, if different, of property on lease or held for lease organized by major class of property and the amount of accumulated depreciation as of \_\_\_\_\_ 20\_\_\_\_:

	<u>Cost</u>	<u>Accumulated depreciation</u>	<u>Carrying amount</u>
a. Office space	\$ _____	\$ _____	\$ _____
b. Equipment	_____	_____	_____
c. Land	_____	_____	_____
Total	\$ _____	\$ _____	\$ _____

The following is a schedule by years of minimum future rentals receivable on non-cancelable operating lease(s) as of \_\_\_\_\_ (the last day of your fiscal year): (Note: If lease receivables extend past FY2025, please create additional columns and report these future minimum lease payment receivables in five year increments.)

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Year Ended June 30,	Office Space	Equipment	Land	Other	Total
2006	\$	\$	\$	\$	\$ -
2007					-
2008					-
2009					-
2010					-
2011-2015					-
2016-2020					-
2021-2025					-
Total	\$ -	\$ -	\$ -	\$ -	\$ -

Current year lease revenues received in fiscal year \_\_\_\_\_ totaled \$ \_\_\_\_\_.

Contingent rentals received from operating leases received for your fiscal year was \$ \_\_\_\_\_  
for office space, \$ \_\_\_\_\_ for equipment, and \$ \_\_\_\_\_ for land.

**K. LONG-TERM LIABILITIES**

The following is a summary of long-term debt transactions of the entity for the year ended December 31, 2005:

	Year ended December 31, 2005				
	Balance Jan 1, 2005	Additions	Reductions	Balance Dec. 31 2005	Amounts due within one year
<b>Bonds and notes payable:</b>					
Notes payable	\$	\$	\$	\$ -	\$
Reimbursement contracts payable				-	
Bonds payable				-	
Total notes and bonds	-	-	-	-	-
<b>Other liabilities:</b>					
Contracts payable				-	
Compensated absences payable	24,432	5,907	3,506	26,833	-
Capital lease obligations				-	
Liabilities payable from restricted assets				-	
Claims and litigation				-	
Other long-term liabilities				-	
Total other liabilities	24,432	5,907	3,506	26,833	-
Total long-term liabilities	\$ 24,432	\$ 5,907	\$ 3,506	\$ 26,833	\$ -

A detailed summary, by issues, of all debt outstanding at June 30, 20\_\_, including outstanding interest of \$ \_\_\_\_\_ is shown on schedule 4. Schedule 5 is an amortization schedule of the outstanding debt. (Send OSRAP a copy of the amortization schedule for any new debt issued.)

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**L. LITIGATION NOT APPLICABLE**

1. The \_\_\_\_\_ (BTA) is a defendant in litigation seeking damages as follows:

Date of Action	Description of Litigation and Probable outcome (remote, reasonably possible or probable)	Primary Attorney	Damages Claimed	Insurance Coverage
_____	_____	_____	\$ _____	\$ _____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Totals			\$ _____	\$ _____

The \_\_\_\_\_ (BTA)'s legal advisor estimates that potential claims not covered by insurance would affect the financial statement as follows (would not materially affect the financial statements or is unable to estimate the effect on the financial statement):

2. Claims and litigation costs of \$ \_\_\_\_\_ were incurred in the current year and are reflected in the accompanying financial statement.

**M. RELATED PARTY TRANSACTIONS NOT APPLICABLE**

(FASB 57 requires disclosure of the description of the relationship, the transaction(s), the dollar amount of the transaction(s) and any amounts due to or from which result from related party transactions. List all related party transactions). \_\_\_\_\_

\_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

**N. ACCOUNTING CHANGES NOT APPLICABLE**

Accounting changes made during the year involved a change in accounting \_\_\_\_\_ (principle, estimate, error or entity). The effect of the change is being shown in \_\_\_\_\_.

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**O. IN-KIND CONTRIBUTIONS NOT APPLICABLE**

(List all in-kind contributions that are not included in the accompanying financial statements.)

<u>In-Kind Contributions</u>	<u>Cost/Estimated Cost/Fair Market Value/As Determined by the Grantor</u>
_____	\$ _____
_____	_____
_____	_____
_____	_____
_____	_____
Total	\$ _____

**P. DEFEASED ISSUES NOT APPLICABLE**

In \_\_\_\_\_, 20\_\_\_\_, the \_\_\_\_\_(BTA), issued \$\_\_\_\_\_ of taxable bonds. The purpose of the issue was to provide monies to advance refund portions of \_\_\_\_\_ bonds. In order to refund the bonds, portions of the proceeds of the new issue \$\_\_\_\_\_, plus an additional \$\_\_\_\_\_ of sinking fund monies together with certain other funds and/or securities, were deposited and held in an escrow fund created pursuant to an escrow deposit agreement dated \_\_\_\_\_, between the (BTA) and the escrow trustee. The amount in the escrow, together with interest earnings, will be used to pay the principal, redemption premium, and interest when due. The refunding resulted in reducing the total debt service payments by almost \$\_\_\_\_\_ and gave the (BTA) an economic gain (difference between the present values of the debt service payments on the old and new debt of \$\_\_\_\_\_.

**Q. COOPERATIVE ENDEAVORS NOT APPLICABLE (SEE NOTE 10 TO FINANCIAL STMTS)**

LRS 33:9022 defines cooperative endeavors as any form of economic development assistance between

and among the state of Louisiana, its local governmental subdivisions, political corporations, public benefit corporations, the United States government or its agencies, or any public or private association, corporation, or individual. The term cooperative endeavor includes cooperative financing, cooperative development, or any form of cooperative economic development activity. The state of Louisiana has entered into cooperative endeavor agreements with certain entities aimed at developing the economy of the state.

Some cooperative endeavor contracts are not coded with a document type of "COP" on the Contract Financial Management Subsystem (CFMS), but are considered cooperative endeavors. Include these below with your cooperative endeavor contracts coded with a document type of "COP". Examples of contracts that are considered cooperative endeavors, but are not coded with a document type of "COP" include contracts that fall under delegated authority, Facility Planning and Control "CEA" contracts, certain federal government contracts, contracts that legislative auditors may have designated as such within your agency, work incumbent programs, etc. In prior years, this information was requested as supplemental documentation after the AFRs were submitted, usually in October or November.

**STATE OF LOUISIANA**  
**LOUISIANA NAVAL WAR MEMORIAL COMMISSION (BTA)**  
**Notes to the Financial Statement**  
**As of and for the year ended December 31, 2005**

The liability outstanding for fiscal year ending June 30, 2005, by funding source, is as follows:

<u>Funding Source</u>	<u>Balance</u> <u>June 30, 2005</u>
State General Fund	\$ _____
Self-generated revenue	_____
Statutorily dedicated revenue	_____
General obligation bonds	_____
Federal funds	_____
Interagency transfers	_____
Other funds/combination	_____

NOTE: Amounts in excess of contract limits **cannot** be used to reduce the outstanding contract balance at June 30, 2005. For example, if a contract specifies a percentage of usage for each month (25%) and usage exceeds that percentage (75%), you cannot claim actual usage that exceeds contract requirements (50%).

NOTE: In order to compute your ending balances by funding source, you should begin with your balances at June 30, 2004. These amounts will be increased by amounts for new contracts and amendments and decreased for payments as well as for liquidations.

**R. GOVERNMENT-MANDATED NONEXCHANGE TRANSACTIONS (GRANTS) NOT APPLICABLE**

The following government-mandated nonexchange transactions (grants) were received during fiscal year 2004-2005:

<u>CFDA</u> <u>Number</u>	<u>Program Name</u>	<u>State Match</u> <u>Percentage</u>	<u>Total Amount</u> <u>of Grant</u>
_____	_____	_____	\$ _____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
Total government-mandated nonexchange transactions (grants)			\$ _____

**S. VIOLATIONS OF FINANCE-RELATED LEGAL OR CONTRACTUAL PROVISIONS - NOT APPLICABLE**

At June 30, 20\_\_\_\_, the \_\_\_\_\_ (BTA) was not in compliance with the provisions of \_\_\_\_\_ Bond Reserve Covenant that requires \_\_\_\_\_.

The \_\_\_\_\_ (BTA) did \_\_\_\_\_ to correct this deficiency.



**STATE OF LOUISIANA**  
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**Notes to the Financial Statement**  
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**T. SHORT-TERM DEBT NOT APPLICABLE**

The \_\_\_\_\_ (BTA) issues short-term notes for the following purposes: \_\_\_\_\_

Short-term debt activity for the year ended June 30, 20\_\_, was as follows:

List the type of S-T debt (e.g., tax anticipation notes):	Beginning Balance	Issued	Redeemed	Ending Balance
_____	\$ _____	\$ _____	\$ _____	\$ _____ -

The \_\_\_\_\_ (BTA) uses a revolving line of credit for the following purposes: \_\_\_\_\_  
 \_\_\_\_\_ . Short-term debt activity for the year ended June 30, 20\_\_, was as follows:

	Beginning Balance	Draws	Redeemed	Ending Balance
Line of credit	\$ _____	\$ _____	\$ _____	\$ _____ -

**U. DISAGGREGATION OF RECEIVABLE BALANCES**

Receivables at December 31, 2005, were as follows:

Activity	Customer Receivables	Taxes	Receivables from other Governments	Other Receivables	Total Receivables
Overnight camping program	\$ 5,005.00	\$ _____	\$ _____	\$ _____	\$ 5,005.00
					-
Gross receivables	\$ 5,005.00	\$ -	\$ -	\$ -	\$ 5,005.00
Less allowance for uncollectible accounts	-	-	-	-	-
Receivables, net	\$ 5,005.00	\$ -	\$ -	\$ -	\$ 5,005.00
Amounts not scheduled for collection during the subsequent year	\$ _____	\$ _____	\$ _____	\$ _____	\$ -

**STATE OF LOUISIANA**  
**LOUISIANA NAVAL WAR MEMORIAL COMMISSION (BTA)**  
**Notes to the Financial Statement**  
**As of and for the year ended December 31, 2005**

**V. DISAGGREGATION OF PAYABLE BALANCES**

Payables at December 31, 2005, were as follows:

Activity	Vendors	Salaries and Benefits	Accrued Interest	Other Payables	Total Payables
General government	\$ 7,488	\$ 1,919	\$	\$ 422	\$ 9,829
Total payables	\$ 7,488	\$ 1,919	\$	\$ 422	\$ 9,829

**W. SUBSEQUENT EVENTS NOT APPLICABLE**

[Disclose any material event(s) affecting the (BTA) occurring between the close of the fiscal period and issuance of the financial statement.]

**X. SEGMENT INFORMATION NOT APPLICABLE**

Governments that report enterprise funds or that use enterprise fund accounting and reporting standards to report their activities are required to present segment information for those activities in the notes to the financial statements. For the purposes of this disclosure, a segment is an identifiable activity (or group of activities), reported as or within an enterprise fund or an other stand-alone entity that has one or more bonds or other debt instruments outstanding, with a revenue stream pledged in support of that debt. In addition, the activity's revenues, expenses, gains and losses, assets, and liabilities are required to be accounted for separately. This requirement for separate accounting applies if imposed by an external party, such as accounting and reporting requirements set forth in bond indentures. Disclosure requirements for each segment should be met by identifying the types of goods and services provided and by presenting condensed financial statements in the notes, including the elements in A through C below (GASB 34, paragraph 122, as modified by GASB 37, paragraph 17.)

Type of goods or services provided by the segment \_\_\_\_\_

**A. Condensed Balance Sheet:**

- (1) Total assets – distinguishing between current assets, capital assets, and other assets. Amounts receivable from other funds or BTA's should be reported separately.
- (2) Total liabilities – distinguishing between current and long-term amounts. Amounts payable to other funds or BTA's should be reported separately.
- (3) Total net assets – distinguishing among restricted; unrestricted; and amounts invested in capital assets, net of related debt.

Condensed Balance Sheet:

**STATE OF LOUISIANA**  
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**Notes to the Financial Statement**  
**As of and for the year ended December 31, 2005**

	<u>Segment #1</u>	<u>Segment #2</u>
Current assets	\$ _____	\$ _____
Due from other funds	_____	_____
Capital assets	_____	_____
Other assets	_____	_____
Current liabilities	_____	_____
Due to other funds	_____	_____
Long-term liabilities	_____	_____
Restricted net assets	_____	_____
Unrestricted net assets	_____	_____
Invested in capital assets, net of related debt	_____	_____

**B. Condensed statement of revenues, expenses, and changes in net assets:**

- (1) Operating revenues (by major source).
- (2) Operating expenses. Depreciation (including any amortization) should be identified separately.
- (3) Operating income (loss).
- (4) Nonoperating revenues (expenses) – with separate reporting of major revenues and expenses.
- (5) Capital contributions and additions to permanent and term endowments.
- (6) Special and extraordinary items.
- (7) Transfers
- (8) Change in net assets.
- (9) Beginning net assets.
- (10) Ending net assets.

**Condensed Statement of Revenues, Expenses, and Changes in Net Assets:**

	<u>Segment #1</u>	<u>Segment #2</u>
Operating revenues	\$ _____	\$ _____
Operating expenses	_____	_____
Depreciation and amortization	_____	_____
Operating income (loss)	_____	_____
Nonoperating revenues (expenses)	_____	_____
Capital contributions/additions to permanent and term endowments	_____	_____
Special and extraordinary items	_____	_____
Transfers in	_____	_____
Transfers out	_____	_____
Change in net assets	_____	_____
Beginning net assets	_____	_____
Ending net assets	_____	_____

**C. Condensed statement of cash flows:**

- (1) Net cash provided (used) by:
  - (a) Operating activities
  - (b) Noncapital financing activities
  - (c) Capital and related financing activities
  - (d) Investing activities

**STATE OF LOUISIANA**  
**LOUISIANA NAVAL WAR MEMORIAL COMMISSION (BTA)**  
**Notes to the Financial Statement**  
**As of and for the year ended December 31, 2005**

- (2) Beginning cash and cash equivalent balances  
(3) Ending cash and cash equivalent balances

**Condensed Statement of Cash Flows:**

	<u>Segment #1</u>	<u>Segment #2</u>
Net cash provided (used) by operating activities	\$ _____	\$ _____
Net cash provided (used) by noncapital financing activities	_____	_____
Net cash provided (used) by capital and related financing activities	_____	_____
Net cash provided (used) by investing activities	_____	_____
Beginning cash and cash equivalent balances	_____	_____
Ending cash and cash equivalent balances	_____	_____

**Y. DUE TO/DUE FROM AND TRANSFERS NOT APPLICABLE**

1. List by fund type the amounts **due from other funds** detailed by individual fund at your fiscal year end:

<u>Type of Fund</u>	<u>Name of Fund</u>	<u>Amount</u>
_____	_____	\$ _____
_____	_____	_____
_____	_____	_____
Total due from other funds		\$ _____

2. List by fund type the amounts **due to other funds** detailed by individual fund at fiscal year end:

<u>Type of Fund</u>	<u>Name of Fund</u>	<u>Amount</u>
_____	_____	\$ _____
_____	_____	_____
_____	_____	_____
Total due to other funds		\$ _____

3. List by fund type **all transfers from other funds for the fiscal year:**

<u>Type of Fund</u>	<u>Name of Fund</u>	<u>Amount</u>
_____	_____	\$ _____
_____	_____	_____
_____	_____	_____
Total transfers from other funds		\$ _____

4. List by fund type **all transfers to other funds for the fiscal year:**

<u>Type of Fund</u>	<u>Name of Fund</u>	<u>Amount</u>
_____	_____	\$ _____
_____	_____	_____
_____	_____	_____
Total transfers to other funds		\$ _____

**STATE OF LOUISIANA  
LOUISIANA NAVAL WAR MEMORIAL COMMISSION (BTA)  
Notes to the Financial Statement  
As of and for the year ended December 31, 2005**

**Z. LIABILITIES PAYABLE FROM RESTRICTED ASSETS      NOT APPLICABLE**

Liabilities payable from restricted assets in the \_\_\_\_\_ (BTA) at \_\_\_\_\_ (fiscal year end), reflected at \$ \_\_\_\_\_ in the current liabilities section on Statement A, consist of \$ \_\_\_\_\_

in accounts payable, \$ \_\_\_\_\_ in notes payable, and \$ \_\_\_\_\_ in \_\_\_\_\_.

Liabilities payable from restricted assets in the \_\_\_\_\_ (BTA) at \_\_\_\_\_ (fiscal year end), reflected at \$ \_\_\_\_\_ in the non-current liabilities section on Statement A, consist of \$ \_\_\_\_\_ in accounts payable, \$ \_\_\_\_\_ in notes payable, and \$ \_\_\_\_\_ in \_\_\_\_\_.

**AA. PRIOR-YEAR RESTATEMENT OF NET ASSETS      NOT APPLICABLE**

The following adjustments were made to restate beginning net assets for June 30, 20\_\_.

Ending Net Assets July 1, 2004, previously reported	Adjustments + or (-)	Beginning net assets, July 1, 2004, As restated
\$ _____	\$ _____	\$ _____ --
_____	_____	_____ --
_____	_____	_____ --
_____	_____	_____ --
_____	_____	_____ --
_____	_____	_____ --

Each adjustment must be explained in detail on a separate sheet.

(NOTE: Net Assets at July 1, 20\_\_, previously reported, must correspond to Net Assets at June 30, 20\_\_, per the information received from OSRAP.)

**NOT APPLICABLE**

**SCHEDULE 1**

**STATE OF LOUISIANA  
LA NAVAL WAR MEMORIAL COMMISSION (BTA)  
SCHEDULE OF STATE FUNDING  
For the Year Ended 12/31/05**

**NOT APPLICABLE**

<u>Description of Funding</u>	<u>Amount</u>
1. _____	\$ _____
2. _____	_____
3. _____	_____
4. _____	_____
5. _____	_____
6. _____	_____
7. _____	_____
8. _____	_____
9. _____	_____
10. _____	_____
Total	\$ _____

**STATE OF LOUISIANA  
LA NAVAL WAR MEMORIAL COMMISSION  
SCHEDULE OF REIMBURSEMENT CONTRACTS PAYABLE  
DECEMBER 31, 2005**

**NOT APPLICABLE**

Issue	Date of Issue	Original Issue	Principal Outstanding 6/30/PY	Redeemed (Issued)	Principal Outstanding 6/30/CY	Interest Rates	Interest Outstanding 6/30/CY
		\$	\$	\$	\$		\$
Total		\$	\$	\$	\$		\$

\*Send copies of new amortization schedules



**STATE OF LOUISIANA  
LA NAVAL WAR MEMORIAL COMMISSION (BTA)  
SCHEDULE OF NOTES PAYABLE  
DECEMBER 31, 2005**

**NOT APPLICABLE**

Issue	Date of Issue	Original Issue	Principal Outstanding 6/30/PY	Redeemed (Issued)	Principal Outstanding 6/30/CY	Interest Rates	Interest Outstanding 6/30/CY
		\$	\$	\$	\$		\$
Total		\$	\$	\$	\$		\$

\*Send copies of new amortization schedules

**STATE OF LOUISIANA  
LA NAVAL WAR MEMORIAL COMMISSION (BTA)  
SCHEDULE OF BONDS PAYABLE  
DECEMBER 31, 2005**

**NOT APPLICABLE**

Issue	Date of Issue	*Original Issue	Principal Outstanding 6/30/PY	Redeemed (Issued)	Principal Outstanding 6/30/CY	Interest Rates	Interest Outstanding 6/30/CY
_____	_____	\$ _____	\$ _____	\$ _____	\$ _____	_____	\$ _____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
<b>Total</b>		\$ _____	\$ _____	\$ _____	\$ _____		\$ _____

\*Send copies of new amortization schedules

**STATE OF LOUISIANA  
LA NAVAL WAR MEMORIAL COMMISSION (BTA)  
SCHEDULE OF REIMBURSEMENT CONTRACTS PAYABLE AMORTIZATION  
For The Year Ended 12/31/05**

**NOT APPLICABLE**

<b>Fiscal Year</b>		
<b>Ending:</b>	<b><u>Principal</u></b>	<b><u>Interest</u></b>
2006	\$ _____	\$ _____
2007	_____	_____
2008	_____	_____
2009	_____	_____
2010	_____	_____
2011	_____	_____
2012	_____	_____
2013	_____	_____
2014	_____	_____
2015	_____	_____
2016	_____	_____
2017	_____	_____
2018	_____	_____
2019	_____	_____
2020	_____	_____
2021	_____	_____
2022	_____	_____
2023	_____	_____
2024	_____	_____
2025	_____	_____
2026	_____	_____
2027	_____	_____
2028	_____	_____
2029	_____	_____
2030	_____	_____
<b>Total</b>	<b>\$ _____</b>	<b>\$ _____</b>

SCHEDULE 4-A

**STATE OF LOUISIANA  
LA NAVAL WAR MEMORIAL COMMISSION (BTA)  
SCHEDULE OF CAPITAL LEASE AMORTIZATION  
For The Year Ended December 31, 2005**

**NOT APPLICABLE**

<u>Fiscal Year</u> <u>Ending:</u>	<u>Payment</u>	<u>Interest</u>	<u>Principal</u>	<u>Balance</u>
2006	\$ _____	\$ _____	\$ _____	\$ _____
2007	_____	_____	_____	_____
2008	_____	_____	_____	_____
2009	_____	_____	_____	_____
2010	_____	_____	_____	_____
2011-2015	_____	_____	_____	_____
2016-2020	_____	_____	_____	_____
2021-2025	_____	_____	_____	_____
2026-2030	_____	_____	_____	_____
<b>Total</b>	<b>\$ _____</b>	<b>\$ _____</b>	<b>\$ _____</b>	<b>\$ _____</b>

**STATE OF LOUISIANA  
LA NAVAL WAR MEMORIAL COMMISSION (BTA)  
SCHEDULE OF NOTES PAYABLE AMORTIZATION  
For The Year Ended December 31, 2005**

**NOT APPLICABLE**

<u>Fiscal Year</u> <u>Ending:</u>	<u>Principal</u>	<u>Interest</u>
2006	\$ _____	\$ _____
2007	_____	_____
2008	_____	_____
2009	_____	_____
2010	_____	_____
2011-2015	_____	_____
2016-2020	_____	_____
2021-2025	_____	_____
2026-2030	_____	_____
Total	\$ _____	\$ _____

**STATE OF LOUISIANA  
LA NAVAL WAR MEMORIAL COMMISSION (BTA)  
SCHEDULE OF BONDS PAYABLE AMORTIZATION  
For The Year Ended DECEMBER 31, 2005**

**NOT APPLICABLE**

<b>Fiscal Year</b>		
<b><u>Ending:</u></b>	<b><u>Principal</u></b>	<b><u>Interest</u></b>
2006	\$ _____	\$ _____
2007	_____	_____
2008	_____	_____
2009	_____	_____
2010	_____	_____
2011	_____	_____
2012	_____	_____
2013	_____	_____
2014	_____	_____
2015	_____	_____
2016	_____	_____
2017	_____	_____
2018	_____	_____
2019	_____	_____
2020	_____	_____
2021	_____	_____
2022	_____	_____
2023	_____	_____
2024	_____	_____
2025	_____	_____
2026	_____	_____
2027	_____	_____
2028	_____	_____
2029	_____	_____
2030	_____	_____
 Total	 \$ _____	 \$ _____

STATE OF LOUISIANA  
LA NAVAL WAR MEMORIAL COMMISSION  
SCHEDULE OF CURRENT YEAR REVENUE AND EXPENSES  
BUDGETARY COMPARISON OF CURRENT APPROPRIATION  
NON-GAAP BASIS  
DECEMBER 31, 2005

NOT APPLICABLE

	Financial Statement	Adjustments	ISIS Appropriation Report-08/14/05	Revised Budget	Variance Positive/(Negative)
Operating Revenues:					
Intergovernmental Revenues	\$	\$	\$	\$	\$
Sales of Commodities and Services					
Other					
Total Operating revenues					
Operating Expenses:					
Personal services	\$	\$	\$	\$	\$
Travel					
Operating Services					
Supplies					
Professional services					
Capital outlay					
Interagency transfers					
Other charges					
Total Operating Expenses					
Nonoperating Expenses:					
Use of Money and Property					
Gain (Loss) on Disposal of Fixed Assets					
Federal Grants					
Interest Expense					
Other					
Total Nonoperating Expenses					
Capital Contributions					
Operating Transfers In					
Operating Transfers Out					
Change in Net Assets	\$	\$	\$	\$	\$

**STATE OF LOUISIANA**  
**LA NAVAL WAR MEMORIAL COMMISSION**  
**SCHEDULE OF CURRENT YEAR REVENUE AND EXPENSES**  
**BUDGETARY COMPARISON OF CURRENT APPROPRIATION**  
**NON-GAAP BASIS**  
**DECEMBER 31, 2005**

**NOT APPLICABLE**

Budgeted Income (Loss) \$ \_\_\_\_\_

Reconciling items:

Cash carryover \_\_\_\_\_

Depreciation \_\_\_\_\_

Payroll accrual \_\_\_\_\_

Compensated absences adjustment \_\_\_\_\_

Capital outlay \_\_\_\_\_

Change in inventory \_\_\_\_\_

Bad debts expense \_\_\_\_\_

Prepaid expenses \_\_\_\_\_

Principal payment \_\_\_\_\_

Loan Principal Repayments included in Revenue \_\_\_\_\_

Loan Disbursements included in Expenses \_\_\_\_\_

Accounts receivable adjustment \_\_\_\_\_

Accounts payable/estimated liabilities adjustment \_\_\_\_\_

Other \_\_\_\_\_

Change in Net Assets \$ \_\_\_\_\_



STATE OF LOUISIANA  
LA NAVAL WAR MEMORIAL COMMISSION (BTA)  
COMPARISON FIGURES

To assist OSRAP in determining the reason for the change in financial position for the State, please complete the schedule below. If the change is greater than \$1 million, explain the reason for the change.

	<u>2005</u>	<u>2004</u>	<u>Difference</u>	<u>Percentage Change</u>
1) Revenues	\$ 809,749	\$ 712,802	\$ 96,946	\$ 14
Expenses	879,200	869,515	9,684	2
2) Capital assets	2,851,527	2,961,931	(110,404)	(1)
Long-term debt	26,833	24,432	2,400	10
Net Assets	3,134,822	3,204,274	(69,452)	(3)
Explanation for change:				